Daily Report

Latin America

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FBIS-LAT-94-199 *14 October 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

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OAS Secretary General on Integration Efforts

PA1410012494 Managua Radio Nicaragua Network in Spanish 1200 GMT 13 Oct 94

[From the "News 2,000" newscast]

[FBIS Translated Text] OAS Secretary General Cesar Gaviria has said that the Central American, Caribbean, and South American countries must receive support if they are to join NAFTA and added that his office is willing to help strengthen the economy of the Central American region.

Addressing the Cuban issue, Gaviria said dialogue must be exhausted to find a solution to the economic isolation of that Caribbean nation. The OAS secretary general said that everyone wants Cuba to implement a pluralistic system, change its economy, and join the American system.

On another issue, Gaviria justified the U.S. intervention in Haiti, stating that the action was part of a series of measures that led to the reestablishment of democracy.

Says Central America Not Ready for NAFTA

PA1410015294 Mexico City NOTIMEX in Spanish 2206 GMT 13 Oct 94

[FBIS Translated Text] Masaya, Nicaragua, 13 Oct (NOTIMEX)—OAS Secretary General Cesar Gaviria recommended here today that Central America refrain from proposing its admission to NAFTA during the upcoming Americas Summit.

Presidents of countries of the American continent, except Cuba, were invited by U.S. President William Clinton to participate in the hemispheric summit in Miami, Florida in December.

The Central American demand to include this request among the topics of discussion during the upcoming Americas Summit would not be in keeping with the summit's goal, the OAS secretary general added.

"Free trade agreements are not as easy as Central America believes," Gaviria emphasized.

Gaviria said this is due to the Central American nations' lack of the necessary production infrastructure and adequate trade laws to achieve their goal.

Gaviria made these statements one day after John Hamilton, assistant secretary of state for Central American affairs, said in Managua his country will analyze this month the region's request to for provisional membership in NAFTA.

Hamilton made the announcement within the framework of the Central American Ecological Summit, which concluded today. Gaviria also participated in the summit.

Hamilton said the United States will try to get "first-hand" knowledge of the Central American proposals to include trade issues on the Americas Summit agenda.

According to Hamilton, a meeting will be held at the end of this month in Washington to analyze the Central American request for provisional admission to NAFTA and to review those trade issues.

The official emphasized that U.S. Trade representative Mickey Kantor might participate in the meeting.

Costa Rican Foreign Commerce Secretary Jose Rossi said the Central American presidents discussed with Albert Gore the need to attain advantages for access to NAFTA as an essential element to keep and attract new investments in the region.

Moreover, Nicaraguan President Violeta Chamorro yesterday asked the international community to support the new model of sustainable development in the region, which was adopted during the meeting and which includes protection of the area's biodiversity.

Costa Rican Natural Resources Minister Rene Castro reported on Thursday that Central Americans want international credit organizations and friendly nations to grant the region $50 million in financial aid.

El Salvador's Manuel Pacas, president of the Central American Bank of Economic Integration (BCIE), said the organization is willing to supply the resources that will be destined for the isthmus' sustainable development.

Thus, Pacas reacted favorably to a proposal from Costa Rican President Jose Maria Figueres on behalf of his counterparts in the region in the sense that the $50 million become a trust fund managed by the BCIE.

U.S. Vice President Albert Gore participated in the summit inauguration and said "(the United States) is firmly determined to support that historical enterprise."

Central America has 12 percent of the world's flora and fauna on barely 1 percent of the planet's territory.

Mercosur Decides To Create Trading Data Base

PY1310201594 Madrid EFE in Spanish 2321 GMT 8 Oct 94

[FBIS Translated Text] Montevideo, 8 Oct (EFE)—Common Market of the South (Mercosur) member countries (Argentina, Brazil, Paraguay, and Uruguay) agreed to create a data base to promote trade relations between small and medium-sized enterprises in the four member countries, Mercosur spokesmen announced today.

Ricardo Gomez, Uruguayan representative at the Market Interest Groups Commission (Comisec) [Comision Sectorial del Mercado], said that the creation of the data base supposes that each country will organize an internal information network that will be connected to a regional network. In this way all Mercosur entrepreneurs

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will have access to the information necessary to reach the raw material sources they require or to locate potential clients for their products.

The basic purpose is to support micro, small, and medium-sized entrepreneurs in order to facilitate the creation of "joint ventures," Gomez said.

The Uruguayan delegate said that one of the difficulties associated with the system will be to resolve the information on services because, unlike industrial or agricultural goods, services do not have tariff codes to facilitate the exchange of data.

Representatives from the four countries will meet on 17 October in Buenos Aires to discuss the operational details of the data base.

Mercosur, Chile Approach Accord on Tariff Reduction

PY1310173694 Buenos Aires TELAM in Spanish 1917 GMT 11 Oct 94

[FBIS Translated Text] Montevideo, 11 Oct (TELAM/SNI)—Mercosur [Common Market of the South] and Chile are closer to reaching an agreement to create a preferential tariff area, after the government of Eduardo Frei today reformulated its initial proposal and made its position on tax reductions more flexible.

A diplomatic source told TELAM that Chile's original position, which had envisaged the creation of a free trade zone within an agreed upon period of time and over several stages, had been rejected by Mercosur as it did not believe tax reductions would be viable over such a short term, when the Customs Union itself would not even have been completely implemented.

The meeting, which is being held at the technical level, will close today, and the results will be analyzed and evaluated by the respective foreign ministries.

At the same time that these negotiations are being held, the lists of exceptions from the Common External Tariff (AEC), and the framework for the adjustment of the products that will be affected by internal competition within Mercosur, are also being discussed in Montevideo. The official debate will begin on 13 October during the extraordinary meeting of the Common Market Group (GMC).

Argentina, Brazil, Paraguay, Uruguay, and Chile resumed their negotiations on 10 October in Montevideo. These became stagnated some weeks ago due to differences in the criteria which became evident during the first contacts.

The independent newspaper EL OBSERVADOR ECONOMICO reported today that the Chilean delegation, which is headed by Juan Salazar, economic relations director at the Foreign Ministry, submitted a three-point document.

The points are: a commentary on the last formula that was submitted by Mercosur; an analysis of the institutional aspects of relations between Chile and the regional bloc; and a proposal for the gradual reduction of tariffs.

According to Chile's original proposal, some products would have to reach complete reduction in barely 2 years, while the majority of products would reach that stage within a period of 6 years.

After rejecting this proposal, the four Mercosur members proposed to Chile a linear and automatic tariff reduction within a 10-year period, reaching a preferential tariff of 80 percent.

According to the diplomatic source that was consulted, "the situation now appears to have entered a new stage of manifest flexibility in Chile's position, which will allow a slower trade liberalization than had been proposed in its original proposal."

Moreover, before traveling to Montevideo Zalazar explained that "Chile is not willing to negotiate the transfer of preferential products to the list of sensitive products" that will have the tariffs reduced more slowly.

"This is a principle that we are not going to grant them; if the patrimony is affected, then there must be compensation," Salazar told Chilean media.

The diplomatic source commented that it is fundamental that Chile conclude the negotiations before 31 December, the expiration date for the tariff preferences that it negotiated with the members of Mercosur within the framework of the Latin American Integration Association (ALADI).

Andean Parliament Backs Bolivian Sea Outlet Claim

PY1410023294 La Paz HOY in Spanish 1 Oct 94 Political Section p 1

[FBIS Translated Text] The 10th Andean Parliament meeting, which ended in La Paz yesterday, issued a resolution voicing full support for the Bolivian claim for a free and sovereign outlet to the Pacific Ocean "without territorial compensation."

In the whereas clauses of the document, the Andean region legislators recall that in the subregional forums of the Cartagena Agreement member countries, within the OAS, in the international events of the Nonaligned Movement countries, and in numerous international organizations and presidential declarations "support has been voiced for Bolivia to obtain a free and sovereign outlet to the Pacific Ocean."

Therefore, "the national legitimacy of this Andean and Latin American interest is hereby reasserted."

The claim is endorsed by four resolutions:

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First: Reiterate the Andean Parliament's support "for Bolivia's legitimate and fair right to obtain a sovereign, direct, and useful outlet to the Pacific Ocean without territorial compensation."

Second: "Declare the hemisphere and region's desire for a solution to this problem with the purpose of consolidating international peace and security."

Third: It is stated that the satisfactory solution of the Bolivian maritime problem is "an essential factor for the development and integration of the Andean people."

Fourth: An appeal is made to the Chilean fraternal solidarity regarding Bolivia's fair return to the sea." [no beginning quotation marks as published]

Another of the important resolutions approved by the Andean Parliament questions the economic embargo against Cuba and considers it unjustified from the political viewpoint, because it is contrary and is "suffocating" the Cuban economy.

The meeting of the Venezuelan, Colombian, Peruvian, Ecuadoran, and Bolivian legislators approved a resolution that reads: "The economic embargo against the brother nation Cuba is suffocating that small country from the economic viewpoint, seriously affecting the conditions and living standards of its inhabitants."

In another paragraph the document states that the measure is by no means justified "because the world is experiencing a globalization, rapprochement, and integration process designed to attain political, social, and economic development."

It then goes on to state that "Cuba's integral presence is necessary to bring the Latin American countries together," and then makes an appeal to the democratic countries of the region so that that country "may improve the conditions for an opening toward a system of liberties within a regime of popular and democratic sovereignty."

Another resolution refers to drug trafficking, which, according to the Andean legislators, "threatens the democratic and security institutions of the continent."

It states that since drug trafficking involves a supranational organization, it requires answers at the same level, in other words, the national effort is not enough.

Therefore, it was decided to request that the international community and the United States grant necessary and sufficient economic support to fight this scourge, as well as eliminate customs taxes and restrictions affecting resources for the creation and development of agricultural productive activities and exports "that may represent alternative sources to generate job opportunities and resources for the Andean countries."

The Andean Parliament also decided to approve the Social Charter in view of the worrisome increasing level of poverty, misery, and social instability in the subregion because, according to the legislators, "a proposal that will balance the economic and social factors is necessary."

In the first point the document refers to democracy and human rights and points out the need to "reassert" the promotion, strengthening, and improvement of the democratic system.

Moreover, it makes an appeal that human, civilian, political, economic, social, and cultural rights be universalized and respected.

As for integration and the eradication of poverty, it states that the respect for the human rights of the citizens of any of the political forum member countries must be guaranteed in any of the member countries.

It also recommends that governments earmark a significant portion of public expenditures to fighting extreme poverty and guaranteeing the right to food, health, housing, education, job opportunities, and social security.

Joint Actions Sought To Strengthen Amazon Treaty

PY1310224794 Madrid EFE in Spanish 0314 GMT 12 Oct 94

[FBIS Translated Text] Lima, 11 Oct (EFE)—Peruvian Foreign Ministry sources have reported that the sixth meeting of the Amazon Cooperation Council ended today, 11 October, with an agreement to begin joint actions intended to strengthen the Amazon Cooperation Treaty.

The meeting of representatives of the eight member countries of the treaty—Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela—was held on Monday and Tuesday [10 and 11 October] in this capital and ended with the signing of a document that included projects intended for the development of the agreement.

In the document the participants expressed their interest in studies on the design of an Amazon financial organization, for which they promised to submit proposals and initiatives to the "pro tempore" secretariat headquartered at the Peruvian Foreign Ministry.

They also agreed that the meeting of the special Amazon commissions must be held between 15 November 1994 and 3 March 1995.

The fifth [as received] meeting of foreign ministers of member countries will be held in Lima during the first half of March 1995, although the precise date is yet to be set, according to a report released by the ANDINA state news agency.

Another agreement establishes the expansion from one to three years of the term for the "pro tempore" secretariat headquartered in the Peruvian capital.

The closing ceremony of the sixth meeting of the Amazon Cooperation Council, held at the Torre Tagle Palace, site of the Peruvian Foreign Ministry, was chaired by Eduardo Ponce, Peruvian international policy vice minister.

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Cuba

Havana Reports New U.S. Visa Plan for Cubans

FL1310132994 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Oct 94

[FBIS Translated Text] On 12 October, the U.S. Government announced the expected plan for the granting of 20,000 visas per year to Cubans who request them. This is part of the agreement signed by Washington and Havana last month in New York. Christine Shelly, a spokeswoman for the U.S. State Department stated that in order to achieve this goal, the U.S. Government will broaden the requirements for refugee status; it will conduct investigations in cases where this status has been denied; and where possible immediately grant visas to unmarried children of Cubans who have already received immigration visas or refugee status.

Shelly added that a type of lottery will be implemented as has been done for other countries, which will increase the possibilities of legal immigration for all Cubans including those who do not have direct family ties in the United States. The spokeswoman went on to say that the details of that lottery would be given on 1 November.

According to an EFE report, (Shelly) underscored that the new visa plan benefits Cubans who are now in Cuba. As expected, the U.S. State Department spokeswoman clarified that Cubans at the Guantanamo Naval Base and Panama will be informed of those immigration programs but they must return to Cuba in order to participate in them.

TV Reports Christopher, OAS Chief To Accompany Aristide

FL1410033894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] Only two days before exiled President Jean-Bertrand Aristide is scheduled to return to Port-au-Prince, the so-called neighborhood committees and city leaders are making hurried preparations for his arrival while speculation grows among party members and the opposition following a complete silence. Aristide will travel to Haiti after three years in exile, accompanied by a retinue of diplomats headed by U.S. Secretary of State Warren Christopher and OAS Secretary General Cesar Gaviria. U.S. troops and the Planning Ministry are maintaining very tight security at Aristide's private residence at (Tarrabi), in northeastern Port-au-Prince. The residence is currently under renovation to repair damage sustained during the coup d'etat. The construction crew chief has complained that telephone and electrical service have not been reconnected after repeated requests. U.S. troops have surrounded the residence and control access to the area.

GRANMA Questions U.S. Conditions for Lifting Blockade

PA1410044894 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Oct 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] "Cuba, Representative Democracy, and The New World Order" is the title of the first of a series of articles that GRANMA has begun publishing in which the conditions of Washington and other countries for lifting the blockade of Cuba are questioned. The writer notes that the countries supporting the U.S. policy that links the lifting of the blockade with the introduction of changes in the island's political system do not know that the first is an act that violates international law and that the second is an issue that is the exclusive concern of Cuban citizens.

The commentator says those acting this way overlook the fact that not only are they accomplices in the suffering of the Cuban people, but that they are also contributing to establishing a precedence that could be used against their own countries.

Delving further into this issue, he emphasizes the renewal of the campaign against Cuba is part of a larger context in the strengthening of world domination by the great powers—for which reason it is worthwhile to evaluate the role being given to democracy within the new world order—which lurks behind the recipe for changes in the Cuban political system.

Alarcon: Country Seeking Niche in Uncertain World Order

PA1310175194 Havana PRENSA LATINA in Spanish 2331 GMT 12 Oct 94

[FBIS Translated Text] Havana, 12 Oct (PL)—Ricardo Alarcon, president of the National Assembly of the People's Government, said today Cuba is seeking a niche in a still uncertain world order and is facing the tremendous challenge of overcoming the extremely negative consequences left by changes in Eastern Europe.

Speaking at the workshop on "Globalization, Integration, and Human Rights in the Caribbean," which began today under the auspices of the America Study Center (CEA) in Cuba and the Latin American Institute of Alternate Legal Services (ILSA) in Colombia, Alarcon added his country will not bow in finding its niche in a world order that presumably has already been established.

Alarcon also said Cuba seeks to preserve its national independence and the social and ethical conquests it achieved during the past three decades amid very difficult conditions.

Alarcon defended the Cuban participative democracy against the prevailing representative model in most Latin American countries. One of the issues broached

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during the regional debate was the crisis of the representative democracy, Alarcon said.

The agenda of this workshop included lectures by Gladys Acosta, a member of the ILSA Board of Directors, and by Luis Suarez, CEA director. Suarez presented the workshop's main document.

In the Caribbean, Suarez explained, systematic, selective and frequent human rights violations are disguised by a formal legal system (that is unique to and originally from colonial or neocolonial cities) which is, nevertheless, widely accepted by the people.

The document stresses that the explosive spread of poverty and the ensuing social and political problems have generated serious doubts about the governability of the prevailing liberal democracies in the region.

The study cites comparative figures indicating how the poorest fifth of the population had access to 4 percent of the national income in 1980 while this group's participation dropped to 3.1 percent in 1990. In 1990, 20 percent of the wealthiest inhabitants were taking 57.7 percent of the national income.

If this backward trend in the distribution of income is not overcome, Luis Suarez warned, the situation will increasingly worsen in the coming years, jeopardizing the realization of the human rights of growing masses of the people in Latin America and the Caribbean.

The workshop will continue tomorrow and conclude on 14 October.

Alarcon Discusses 'Challenge' at Workshop

FL1310141894 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Oct 94

[FBIS Translated Text] The Globalization, Integration, and Human Rights Caribbean Workshop has gotten under way today in the (Hotel Coli), in Havana City. The debate involving the workshop's final statement has been at an important theoretical level. Nearly 30 intellectuals and professors from the Caribbean area, as well as from Mexico and the United States, are participating. Luis Suarez, director of the American Studies Center, and other specialists who have spoken offering proposals, points of view, and assertions, have shown the broad spectrum of possibitities for Caribbean unity through the issue of globalization and integration. Furthermore, through this same issue, we will be able to advance and to extend the region's level of economic, social and cultural wellbeing, which is one of the workshop's aims.

Ricardo Alarcon, president of the National Assembly of the People's Government gave the opening address. Alarcon referred to Cuba within the context of the Caribbean and beyond.

[Begin Alarcon recording] Today, as during the last 500 years, Cuba wonders how to insert itself within an international framework that we have not created, that we [word indistinct]. We should ask ourselves if this is really about inserting ourselves within an established order or participating in the process of change that is taking place all over the world. As soon as [words indistinct] a new international order will emerge. It is simply a case of becoming a part that will be assimilated by the world and playing the role that we and the rest of the Caribbean people have tried to play in history over five centuries. It is important to be a dynamic factor and not just an object in history. I have no doubt that the great challenge for Cuba and its Revolution is how to confront the profoundly negative consequences that the disappearance of the Soviet Union and the changes that took place in Europe meant. How can we adjust to the reality of the disappearance of markets, technology, and credits, that took place, practically, overnight? However, Cuba has not incorporated, bowed, nor added itself to a world that, supposedly, has already been established. We are aware that we must take into consideration the existence of that world and confront it; how we can manage this and at the same time preserve our political independence, national independence, social, and ethical accomplishments of the Revolution, and finally, the realization of the democratic utopia. This is a project of true participation of the people in the government. There is no truer form of challenge, no matter what type of representation or pseudo representation may exist in the world. I believe these are the essential elements of what Cuban socialism represents today. [end recording]

Tomorrow the workshop will continue, in the (Hotel Coli), here in Havana City.

Council of Ministers Vice President Ends Galicia Visit

PA1410042894 Havana PRENSA LATINA in Spanish 2235 GMT 11 Oct 94

[FBIS Translated Text] La Coruna, Spain, 11 Oct (PL)—Galicia's President Manuel Fraga Iribarne said today he hopes "the Cubans are able to resolve their problems without illegal interferences, wherever they may come from."

Fraga made these statements at Albadro airport, where he went to bid farewell to Cuban Vice President Jose Ramon Fernandez. Fernandez paid a four-day visit to this autonomous region [of Spain].

In this fourth meeting between Fraga and Fernandez, Fraga expressed his willingess to cooperate as much as possible so that Cubans can overcome all problems.

Fraga described his talks with Fernandez as "frank and sincere exchanges of opinions" on the current Cuban situation.

Addressing the media, Fraga expressed his gratitude for the visit of the Cuban vice president and praised the

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opportunity he had to learn about the efforts of the population in the area to achieve a balanced and sustainable development.

"Most Galicians love Cuba, are grateful to its people for welcoming Galician emigrants, and along with me, have expressed their sincere wishes and prayers for a future of peace and development in Cuba," Fraga stated.

Answering the journalists' questions, Fraga reiterated his position against the U.S. blockade and urged the government of President Bill Clinton to comply with international law.

Fernandez conceded to have found numerous possibilities for cooperation and exchange between Cuba and Galicia. He also expressed his satisfaction over the results of his meetings with Fraga and reiterated Cuban President Fidel Castro's inivitation to Fraga to come to Cuba again whenever he deems it appropriate.

Fraga's presence at the airport stirred up comments among those gathered there who viewed it as a special gesture toward the Cuban people since it is not typical for the president of government to see his guests off at the airport.

On the last day of his visit to Galicia, a reception was held in honor of Fernandez by Mayor Francisco Vazquez Vazquez at the Town Hall of La Coruna.

Representatives of all political groups, businessmen, and other prominent people attended the ceremony.

Begins Visit to Asturias

FL1310171594 Havana Radio Progreso Network in Spanish 1200 GMT 13 Oct 94

[From the "First Thing" program]

[FBIS Translated Text] Jose Ramon Fernandez, a vice president of the Cuban Council of Ministers, began his visit to the Principality of Asturias [in Spain] with a meeting with (Antonio Trevin Globan), the president of Asturias. The president happily accepted Fidel Castro's invitation to visit Havana.

Researcher Sees Door To Dialogue With U.S. Open

FL1310171094 Havana Radio Progreso Network in Spanish 1200 GMT 13 Oct 94

[Interview with Rafael Hernandez, researcher for the Center for American Studies, by Jose Mayo, from the "First Thing" program; place and date not given—recorded]

[FBIS Translated Text] [Mayo] The undeclared war of the United States against Cuba has been full of failures because people unconditionally support the Revolution. The strategy of confrontation on the part of U.S. leaders has not been able to destroy the revolutionary process in Cuba. However, the White House has stubbornly implemented all kinds of punitive measures to break Cuba, despite the fact that the only path available to reach an understanding between both parties is negotiation.

Rafael Hernandez talks about the issue of confrontation and negotiation during the last part of his interview regarding U.S. policy towards Cuba.

The international community, and personalities as well as sectors in the United States, believe the United States needs to abandon the strategy of confrontation against Cuba and to sit at the negotiating table to solve the differences. What is your opinion?

[Hernandez] Following the disappearance of the problems that put the United States in confrontation with Cuba at the time of the Cold War, as well as the international conflicts that involved Cuba and the United States, we returned to the starting point of the confrontation: The existence of a revolutionary regime with an independent agenda 90 miles from the United States.

To what degree is the United States capable of sitting down and negotiating—recognizing from the start the dignity and legal equality of Cuba? This is the crux of the matter. There is a knot that has not been untied during all these years. The United States has negotiated with Cuba, but only on some particular issues, such as immigration problems on several occasions, plane hijackings, and as we know, the solution of the conflict in South West Africa in the late eighties.

However, the United States has not negotiated on the agenda of problems between both countries which could be subject to negotiation, because there has always been hope on their part that the Cuban regime would fall. Likewise, with the fall of socialism, the United States hoped to return to reestablish its economic and political influence inside Cuba.

Nowadays, a special situation is developing, when important and influential voices—representatives of powerful sectors in the United States, are calling for the negotiations to go further, without stopping at the immigration level. They want to study the fundamental problems between both countries and try to find a natural solution for them. A new political climate is appearing as a result of these voices heard in powerful sectors, and could possibly change the current situation.

[Mayo] John F. Kennedy's administration was one of the most aggressive toward Cuba. However, just before he was murdered in Dallas, Texas, in 1963, he supported the end of the blockade and wanted to negotiate with the Cuban Government.

William Clinton, the current U.S. President, has said that his government is inspired by Kennedy's style. Therefore, do you believe that Clinton will favor a dialogue with Cuba before his term is over?

[Hernandez] I believe that it is a good comparison. As you have just said, this U.S. Administration, and particularly Clinton, has imitated the Kennedy administration and Kennedy's style—a young generation, a new agenda, a new stage, etc.

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In reality, Clinton has disappointed many people who were expecting a more consistent policy. The U.S. policy, and particularly the White House policy, has been criticized due to its unpredictability, because it has responded with inconsistency and because it is more concerned about polls, and as we know public opinion can change due to many reasons, and polls are not a very truthful portrait of public opinion. Yet, this administration is too dependent on public opinion forecasts.

Therefore, it is hard to predict what the Clinton Administration will do a month from now. However, there are some indicators, such as changes in the international situation, and the views of U.S. legislators heard in recent weeks. Clayborne Pell and Lee Hamilton, foreign policy leaders from the House and the Senate, clearly supported negotiations, not only regarding immigration issues, but also to extend relations further, and to seek a constructive solution for coexistence and more rational and efficient relations.

This is a new approach, and we can now see at this moment that right wing sectors—conservative U.S. sectors—support contacts with Cuba, opening the windows of communication, and changing a policy, or introducing some variations in a policy, that has so far been a policy of exclusion, coercion, and isolation. From this viewpoint I believe that is possible to expect change, not because the administration is willing to give importance to the Cuban issue, but because the issue is being imposed upon them.

[Mayo] How can normalization of relations with Cuba benefit the United States?

[Hernandez] As a paradox, the economic interest of monopolies would be better served by a policy of dialogue rather than a policy of blockade. U.S. capital is being deprived of investment and trade opportunities with Cuba, which other European and Latin American countries along with Canada are experiencing. The United States is unable to participate in the transformation of the Cuban economy as a result of the current policy, and many growing sectors in Cuba are being restrained or isolated—tourism, nickel mining, oil exploration, biotechnology—and also the possibility of investing in the restoration of the agricultural and industrial sectors is not available.

The short distance to Cuba is a great advantage for U.S. capital. There have always been references to the U.S. geopolitical interests in the Caribbean. In the case of Cuba, the United States has in the past dictated a policy of domination, bullying, and supremacy, however currently there is more reference in international politics to the geoeconomics.

Geoeconomic reasons—the advantage of geographical proximity—also signify capital. It is not the same to bring oil from the Middle East, or nickel from Africa, or develop tourism in Australia, than to do so in a country which is only 90 miles from the United States. This gives Cuba an advantage from the point of view of the economic interests of the United States. This location at the entrance to the Gulf of Mexico, in the path of the Panama Canal crossroads, has always been relevant in the past, and U.S. interests and corporations are aware of the importance.

I believe the possibility of rapprochement and dialogue has opened and could perhaps progress quickly. It is important to realize this perspective is there, though we do not how long it could take to go further, because relations between both countries could greatly change, and because Cuban policy would have to face, and will face with no doubt, different challenges than those encountered so far with our current and future neighbor.

'Straight Talk' on Upcoming Sugar Harvest

FL1310180794 Havana Radio Rebelde Network in Spanish 1600 GMT 29 Sep 94

["Straight Talk" program with host Osvaldo Rodriguez from BOHEMIA magazine and guests Eloy Concepcion and Renato Recio from TRABAJADORES]

[FBIS Translated Text] [Rodriguez] Friends, much has been said here on Radio Rebelde on the current situation of the sugarcane crop and the new strategy for the upcoming sugar harvest. Undoubtedly, sugarcane crops have suffered a deterioration caused by the lack of fertilizers, herbicides, and a lack of work. I say this because that is why the Basic Cooperative Production Units [UBPC] were created to supply the work force that was needed to obtain noticeable sugarcane yields.

I believe certain expectations have been created and an image of total disaster has been given to the people, an image of the impossibility of recovery. I invite you to analyze this image with me and to determine if this image is true or false.

[Concepcion] Osvaldo, excuse me. I believe we should begin by saying that, in order to get out of the special period as quickly as possible or in order to be able to confront the effects of the special period in the coming years, the country needs to increase its sugar volume. The country will have to continue focusing, as a basic element, on the development of its sugar industry.

We have visited many places where the sugarcane plantations are truly depressed due to various factors such as those that you have mentioned and the lack of organization in the work, control, and demand. The industry, which has also been affected by the shortages, presents this unfavorable situation.

Now, we are ready to begin the next harvest. How do I see the problem? I am among those who believe that we are working in many places. And I know that many places are working in an organized manner looking for spare parts and trying to repair the mills with the best quality possible, trying to do something with the sugarcane even though a bit late. It is raining now, which

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might help increase the volume of sugarcane since the sugarcane has been cultivated without fertilizers. Only 30 percent of the sugarcane plantations in the country have been fertilized.

I am of the opinion that we are still on time to prevent a fall in sugar production volume because I have faith in all the efforts that are being done by the workers of the sugar industry and the cadres of the majority of the Agroindustrial Complexes in the country.

[Rodriguez] You mentioned that we are still on time. Nevertheless, specialists have always said that September marks a change in the cane cycle. In other words, the growth cycle is up to September and from then on begins the cycle when sugar is produced within the stem. Therefore, we are running out of time.

[Recio] Osvaldo, what you were saying is a technical problem, but we should say that this depends on many factors. There is not an exact date. All this depends on the weather conditions. It depends on the rain, the heat. The sugarcane does not have a calendar. The sugar cane does not care if today is 15 July or 24 August. It develops according to the weather, which makes it very variable. There is definitely a moment when the cane stops growing and the concentration of sugar begins to increase.

I want to disagree a bit with what Eloy was saying because I believe he was trying to avoid giving a sense of chaos, a sense everything is depressed, that there is no future. And I believe it is an appropriate tone because we sometimes exaggerate. Sometimes we go from triumphalism to extreme criticism. I believe we must try to find the center of the matter.

In my opinion, next year's sugar harvest is not going to boost Cuba's economy. It is going to be a harvest that will be similar to that of the last two years, which is insufficient. What I mean is that a sugar harvest is not a matter of one year. The sugar industry must be looked at as a system, as something that begins many years before the processing of the sugarcane that was planted three or four years ago. It has to do with a complete and multifaceted process. Therefore, the sugar industry cannot recover in just six months. That is the truth. We must not ignore the fact—a fact that Eloy did not mention—that there are problems with the work forces, in other words the UBPC's for whatever the reason may be. There are too many cases where the work forces have not focussed themselves on the sugarcane work. There are many cases—objectively speaking—where it is reported that only 15 or 20 percent of the work force were actually weeding the crops.

I also wanted to point out—and forgive me for taking so much time—that we in Cuba have a sugar culture. In Cuba we have a will and understanding of what the sugar harvest represents. If we have already solved even more serious problems we have no reason to doubt that the problems in the sugar harvest will be solved.

[Concepcion] I believe the challenge has just been made. In other words, there is no turning back, and time is very short. We have X amount of sugarcane. It may be a little more or less depending on how the rain and the work that is done in the weeding affects the plantations affected by the lack of fertilizers and the technology used, and the crushing of the roots with the sugar combines. If we have oxen we must use teams of oxen. We must find [word indistinct]. We may have to do whatever it takes so that the sugarcane can grow and produce more sugar.

I believe the most important thing—which is why we must concentrate all the work—is that this is the sugarcane that we will have. Perhaps a little more or a little less.

Now, what is the secret? I believe the secret to achieve this goal is to make a short harvest, grind fresh sugarcane, and extract all the sugar from the cane. This for many years has been used as a slogan. I believe today it is not a slogan nor can it become a slogan. I believe it must be a task that must be internalized by all the cadres and workers because it is a serious and difficult challenge and I would say it is a decisive factor.

[Rodriguez] It has been said that all mills will be grinding sugarcane this year. Nevertheless, in past years the policy has been to limit the number of mills in operation in order to achieve a more efficient harvest. In other words, there are two ways of doing things: the old and the new way. Wouldn't it be too costly to put all the sugar mills to work including the inefficient mills?

[Recio] Osvaldo, from my point of view, the best way is to have a short harvest and to grind the sugarcane at the right time.

[Rodriguez] On this, we agree.

[Recio, interrupting] We agree, but your question does not reflect that because...

[Rodriguez, interrupting] I am talking about putting all the mills to work. I agree with the short harvest. I am talking about a contradiction in old and new policies.

[Recio] Osvaldo, because up until now we have not been able to have a short harvest. What do I mean by a short harvest?

[Rodriguez, interrupting] Do you think we have met the conditions?

[Recio] No, but the struggle for those conditions represents a lot. Right now the conditions are very difficult but we must realize that it is necessary to have a short harvest and that the whole country must be involved.

Another thing I wanted to say is that the minister, the vice minister, or the Sugar Ministry alone cannot solve this problem. The Cuban sugar problem is a problems that involves all the Cuban people; each citizen, organization, and institution in this country.

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I believe that if we take on the upcoming harvest with a national awareness of the problem with all resources that are necessary... [pauses] because there are many institutions that have unused resources while the sugar harvest lacks trucks to transport the fresh cane that Eloy was talking about. I believe that if we work hard to make a short harvest...[pauses]

I believe the short harvest would be a harvest that does not even come close to 150 days. One hundred days is even better. Anything that extends beyond 150 days during the harvest begins to decrease in earnings for the country or begins to increases expenses. Not only the sugar costs, but there is an aging of the stock which is very grave. The cane does not reach the next cycle with the necessary age.

I agree with Eloy. We already have a problem that is difficult to solve a far as the crops go. We have the cane that we have. Perhaps they could be improved a little bit but we cannot work miracles there. Now, if we could have a harvest that is better than last year's, above all a lot shorter, we can to a large degree overcome the problems that we have with the industrial and harvest efficiency.

[Rodriguez] Yes, I agree with you. I believe a short harvest but a less expensive sugar harvest would also be much better.

[Concepcion] Renato spoke of an element which I believe is very important. This sugar harvest—I would say probably all the past harvests—cannot be a sugar harvest of the Sugar Ministry [Minaz] only. This sugar harvest has to be a sugar harvest of the entire country. It must be a sugar harvest of the Minaz and of the Cuban Workers Federation [CTC] and all the labor unions so that we have the necessary work force.

[Rodriguez] Do you think it is only these?

[Concepcion] I did not want to extend myself. I was saying that this harvest must be a harvest of the Minaz, the CTC, the labor unions. It must be a harvest of all the ministries with all their resources because it must be a short harvest. In order for this one to be a short harvest we need the resources that are available. We need the resources of the National Association of Innovators and Efficiency Experts [ANIR]. Everyone must participate in this harvest. I believe we must declare the sugar harvest a matter of national urgency and not leave the Minaz alone in this responsibility.

[Rodriguez] I believe it should not be this sugar harvest alone. I believe all sugar harvests should be this way. Because we must see that the harvest is the concern of all the people because the harvest begins to have an effect in our lives. When we have such a small harvest as this past one, it affects us economically. Renato would you like to make the final point on Straight Talk?

[Recio] As I said at the beginning, we must not lose the assurance that we will be capable of recovering the sugar harvest. If it is not this one then it will be the next, if not it will be the next one. The fatherland, our life as a nation, our future, our hopes and dreams are concentrated in the sugar harvest and we are not going to let down our hopes and dreams.

[Rodriguez] Then we will have to work hard as you said before. Thank you very much for your comments on the upcoming harvest.

Plans for Upcoming Sugar Harvest Detailed

PA1410035194 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Oct 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Tourism and biotechnology have become important sources of foreign currency for the nation, however the star in Cuban exports continues to be sugar. Cuba was the world's primary producer of sugar until 1992, when it harvested a little over 7 milliom tons. The importance of the sugar sector makes it decisive for Cuba's overall economy. In addition, it has a bearing on the other areas that have not achieved a rate of development to surpass this sector; therefore, the revival of the sugarcane harvest is essential for the nation to overcome the so-called special period in times of peace.

This year, Cuba expects a small sugar harvest; however, the harvesting will be done during the sugarcane's optimum yield with all the mills refining at least at their production capacity. If this goal is achieved, the result would be positive even if the amount of sugar produced is relatively small. With this in mind, the 156 sugar mills that Cuba has throughout its territory would put to work their refining capacity to use all the sugarcane possible without extending the program beyond May, when the rainy season starts.

Nevertheless, the picture of the new sugar harvest appears to be complicated due to several factors. Some of these were generated by the drawn out previous harvest, whose extension prevented giving proper attention to the sugar fields at the right time. To this are added the excessive rains in some areas and drought in others. The lack of fertilizers and irrigation have also contributed to a tendency to reduce the sugarcane fields' yield during several seasons.

The Sugar Ministry made an [word indistinct] assessment of the preparations and the maintenance being carried out in the industrial sector of sugar production. From [words indistinct] to the lack of spare parts and supplies from abroad, make it difficult, not so much for the lack of resources as for the effects of the blockade that raises the price of all the products that Cuba wants to purchase abroad.

Roundup of Economic Developments

FL1210150894

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 11 October.

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Granma Province this year has reached an average yield of 1,000 quintales per caballeria of planted rice. The province hopes to harvest 1.7 million quintales of rice and 400,000 more quintales during the winter season. This year's rice harvest should end in late December. (Havana Radio Rebelde Network in Spanish 1155 GMT 6 Oct 94)

The Primero de Enero dairy, in Primero de Enero Municipality, Ciego de Avila Province, has produced nearly 1.5 million liters of milk this year, meeting its 1994 production goal. (Havana Radio Reloj Network in Spanish 1950 GMT 6 Oct 94)

Ciego de Avila Province electricians have repaired 270 high-voltage transformers, which are already in use at the province's sugarcane complexes and other food production facilities. (Havana Radio Rebelde Network in Spanish 2300 GMT 7 Oct 94)

A total of 1,700 caballerias of miscellaneous crops have been planted in Las Tunas Province. Goals for October include planting 300 caballerias of miscellaneous crops and increasing manual weeding efforts. (Havana Radio Rebelde Network in Spanish 2300 GMT 7 Oct 94)

Over 500,000 quintales of rice have been harvested at the Sur del Jibaro rice complex, in La Sierpe Municipality, Sancti Spiritus Province. The complex expects to earn 3 million pesos this year from the rice harvest and livestock. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Oct 94)

Havana City Province's more than 400 day care centers will receive beans, vegetable oil, and flour to make bread thanks to a $536,000 donation from Germany's "(Agro Action)" nongovernmental organization. The donation will help pay for a six-month supply of food for the approximately 50,000 children who attend the province's day care centers. (Havana Radio Rebelde Network in Spanish 2030 GMT 9 Oct 94)

The Havana City gas enterprise hopes to answer 86,000 service calls before 15 November. The enterprise was unable to extract the 450 tonnes of gas that it had hoped to extract this week due to technical difficulties that have already been resolved. (Havana Radio Rebelde Network in Spanish 2032 GMT 9 Oct 94)

Cubana de Aviacion inaugurated its weekly flight between Rio de Janeiro and Havana on 10 October, extending regular service to Brazil. Businessmen, officials, movie and television producers, and actors arrived on the first flight. (Havana Radio Rebelde Network in Spanish 1800 GMT 10 Oct 94)

The Las Tunas forestry enterprise is exceeding planting and production goals after taking measures to solve efficiency problems. Production costs have been reduced, while revenues have amounted to over 120,000 pesos. (Havana Radio Rebelde Network in Spanish 1255 GMT 10 Oct 94)

Santiago de Cuba is facing a challenge with the current coffee harvest, with the production of 47,000 cans expected. The local coffee processing plant is working round-the-clock to process the massive amount of coffee, part of the biggest harvest since 1959. (Havana Radio Rebelde Network in Spanish 1255 GMT 10 Oct 94)

After investing more than 1 million pesos in improvements over a five-month period, Biofam pharmaceutical and biological products laboratory plant number 2 was reopened on 10 October. The plant is expected to double production to 45,000 units per day of intravenous medicines for veterinary use, such as antibiotics, antiparasitics, and vitamins. Sales of the high quality pharmaceuticals are expected to quickly recoup the investment. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Oct 94)

"The centers under the administration of the German LTI hotel company in Varadero are benefiting from a tourist boom despite the so-called rafters' crisis that affected Cuba in August and September," LTI General Manager Eamonn Donnelly has said, according to a 10 October report datelined Havana. Tuxpan Hotel, approximately 140 km east of Havana, has had an average occupation rate of 86 percent in 1994. "In addition, the LTI-Bella Costa, located next to the Tuxpan and which has been operating for a year, is at 78 percent," Donnelly stressed. (Hamburg DPA in Spanish 2030 GMT 10 Oct 94)

Roundup of Politburo Members' Activities

FL1210132394

[FBIS Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Cuban Communist Party Central Committee monitored through 11 October.

Concepcion Campa has met former Nigerian President Olusegun Obasanjo, who is visiting Cuba at the Cuban Government's invitation. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Oct 94)

Jose Ramon Balaguer has praised Granma Province efforts to ensure that its cattle is supplied with food and water. (Havana Radio Progreso Network in Spanish 1100 GMT 6 Oct 94)

Maria De Los Angeles Garcia has chaired a comprehensive meeting on education, during which Education Minister Luis Ignacio Gomez urged teachers to recruit future teachers and promote school as the most important institution in the community. (Havana Radio Progreso Network in Spanish 1100 GMT 7 Oct 94)

Pedro Ross Leal has participated in a ceremony during which Military Construction Enterprise 15 received a banner for building the longest tunnel in Cuba—2 and ½ kilometers long—in Sierra Maestra. The tunnel was built as part of a project designed to increase the Santiago de

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Cuba water supply. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Oct 94)

Maria De Los Angeles Garcia has participated in a ceremony during which the new governing council of the Sociedad Economica Amigos del Pais was named. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Oct 94)

Carlos Lage Davila has said in La Coloma, Pinar del Rio Province, that salary incentives must be accompanied by an increase in production and efficiency. GRAMMA has reported that Lage visited the local fishing industry to evaluate results for 1994. (Havana Radio Reloj Network in Spanish 1502 GMT 11 Oct 94)

Esteban Lazo Hernandez has toured 10 de Octubre Municipality, Havana, visiting different local restaurants where workers are trying to provide the best service despite gas and power outages. (Havana Radio Reloj Network in Spanish 1503 GMT 11 Oct 94)

Julian Rizo Alvarez has participated in the fifth regular plenum of the Cuban Communist Party provincial committee in Camaguey, where he called for improvements in the operation and leadership of the base organizations. (Havana Radio Progreso Network in Spanish 1200 GMT 11 Oct 94)

Jose Ramon Balaguer Cabrera has participated in the Days of Defense celebrations in Granma Province, visiting several defense sites in Bayamo Municipality. Balaguer said that it is necessary to motivate people to show an interest in the Days of Defense. (Havana Radio Reloj Network in Spanish 1504 GMT 10 Oct 94)

Julian Rizo Alvarez has presented a banner to the Jesus Suarez Gayoll manual cane cutters contingent for its outstanding work. (Havana Radio Rebelde Network in Spanish 0000 GMT 11 Oct 94)

Inter-Caribbean Affairs

Regional Seminar on GATT Opens in Barbados

FL1110221794 Castries HTS Caribvision Television in English 1945 GMT 11 Oct 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] A regional seminar on the General Agreement on Tariffs and Trade, GATT, began in Barbados this week. The seminar is being sponsored by the Caribbean Policy Development Center. Among those who spoke at the opening ceremony was economic relations consultant (Marianne Richardson). She called for the people in the region to be provided with more information on the implications of the GATT:

[Begin (Richardson) recording] What has to be done now, in my view, is for greater public education and awareness. And that's not just...[pauses] It is the general public, but it's also the private sector, public sector, in fact, it's the entire society. GATT and the Uruguay Round results have to be more than an academic exercise or a round of negotiations that took place and ended earlier this year. It has to be an ongoing analysis of how it impacts on our societies and our developmental policies and how we can pull advantages from what was negotiated. [end recording]

Dominican Republic

Two Cedras Officials Cross Border

PA1410004794 Hamburg DPA in Spanish 2226 GMT 13 Oct 94

[FBIS Translated Text] Santo Domingo, 13 Oct (DPA)—Two other high-ranking officials of the Raoul Cedras' military regime in Haiti arrived in the Dominican Republic today through the Jimani border post, 288 km from Santo Domingo.

Bernard Sansaricq, former president of the de facto senate, and Claude Bamb, identified as one of the chiefs of the fearful Tontons Macoutes, arrived at the Dominican border as they were apparently being pursued by followers of deposed President Jean-Bertrand Aristide.

Sansaricq traveled in a jeep and brought light luggage, while Bamb arrived in another vehicle with several pieces of luggage.

They crossed the border quickly to avoid being attacked by Aristide followers who had apparently pursued them for a considerable distance.

Sansaricq said that he came to the Dominican Republic to "stay for some time and see how things develop" in his country. He refused to elaborate. Bamb did not speak to the journalists.

The two officials already had visas from the Dominican Republic, and thus, they did not need authorization to enter the country. The Dominican Government did not assign them bodyguards or grant them special treatment.

Growing Number of Haitians Returning Home

PA1310214794 Madrid EFE in Spanish 1936 GMT 13 Oct 94

[FBIS Translated Text] Santo Domingo, 13 Oct (EFE)—The expected arrival of President Jean-Bertrand Aristide has prompted thousands of Haitians to return to Haiti from the Dominican Republic, Immigration Director Vitelio Mejia reported today.

The Haitians are returning to their country through the border posts at Jimani in the south and Dajabon in the north, where Immigration Department inspectors and Dominican Armed Forces members allow their return after verifying their nationality and checking their baggage.

Mejia explained that the growing flow of Haitians prompted an increase in the number of Immigration Department inspectors and supervisors at the border posts.

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The Immigration Department director tied the departure of the Haitians to the arrival of Aristide, scheduled for next Saturday.

At the border post of Jimani, the shortest route to Port-au-Prince, the Haitians mingle with foreign reporters and representatives of international organizations assisting Haiti.

Upon returning to their country, most of Aristide's supporters carry food, clothes, batteries for portable radios, and other supplies that, due to the embargo, are unavailable in the poorest nation of America.

At the border posts, Dominican authorities are not restricting the amount of products travelers are permitted to take when leaving the Dominican Republic, and they are not collecting the $20 exit tax.

The Haitians began returning to their country after the U.S. intervention forces arrived in Port-au-Prince on 19 September.

Emigration increased after the escape of former Police Chief Joseph Michel Francois and the resignation of military leader Raoul Cedras.

According to Julio Paul, a Haitian who resides in Santo Domingo, "the Haitians who are poor and who escaped death are now returning with our president."

Haiti

Preparations for Aristide Return Reported

FL1310194194 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Oct 94

[FBIS Translated Text] Aristide wants to mark his return to Port-au-Prince in a grandiose manner. Three planes will be chartered on this occasion. The first plane will carry the first 200 guest personalities, and the second one will carry 100 members of the U.S. Congress. The presidential plane, which will be provided by the Bolivian Government, will carry—in addition to the president and his suite—44 high-ranking guests. The presidential plane will arrive in Port-au-Prince at 1000 [1400 GMT].

Aristide will be received at the gangway of the plane by Prime Minister Robert Malval, Port-au-Prince Mayor Evans Paul, the presidents of the two chambers, the chief of the Army general staff, and two children from Family is Life, a charitable organization for aid to children that Aristide created in 1988. Aristide will receive a spray of flowers from those two children and will then be paid military honors before he is greeted by Haitian officials and the members of the diplomatic corps.

The restored president will briefly speak right after the statements of the mayor of the capital at the Port-au-Prince international airport and will then be helicoptered to the presidential palace. The officials will be helicoptered also to the National Palace where the ceremonies will continue with a message to the nation. The protocol of the ceremony includes the release of balloons, a 21-gun salute, the sending of doves in memory of the fighters for democracy, and the handing over of a new armchair to the head of state on the peristyle of the presidential palace.

The guests will leave the Haitian capital after the buffet organized on the occasion at 1700 [2100 GMT]. Shortly after the departure of the guests, President Aristide will meet in turn with the ministers of the Malval government, the presidents and members of the offices of the two chambers, the members of the Army general staff, and representatives of the multinational force. Then, he will go to his private home located in the north of the capital about 2100.

Prime Minister Outlaws Aggravated Robbery

FL1310232394 Port-au-Prince Radio Metropole in French 1600 GMT 13 Oct 94

["Text" of communique issued by Prime Minister Robert Malval; date and place not given—read by announcer]

[FBIS Translated Text] Following His Excellency President Jean-Bertrand Aristide's call for peace and reconciliation, the resigning constitutional government stresses the need to maintain public order and to assure a favorable atmosphere for the head of state's return on 15 October. To that end, the government declares any occupation of vacant fields belonging to private individuals or of private state properties illegal and will take measures to return those properties to their legitimate owners. The constitutional government will not tolerate acts of aggravated robbery committed with the clear intent of hampering President Jean-Bertrand Aristide's return.

Education Minister Replaces University Rectors

FL1310234794 Port-au-Prince Radio Metropole in French 1600 GMT 13 Oct 94

[FBIS Translated Text] The Malval government's education minister has dismissed the heads of the rector's office appointed by the provisional government. Minister Victor Benoit, who resumed his duties following the Malval government takeover of state matters, dismissed Chavannes Douyon, Dr. (Vernio) Pean, and Max d'Haiti. The provisional government had appointed them directors of the State University of Haiti. Benoit reported that Roger Gaillard, Michel Hector, and Marie Carmelle Austin have resumed their duties as members of the university's provisional management council.

Catholic Commission Urges Measures Against Crime

FL1310160494 Port-au-Prince Radio Metropole in French 1045 GMT 13 Oct 94

[FBIS Translated Text] The Justice and Peace Commission of the Catholic Church in Gonaives has issued an

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urgent call asking for a ban preventing the authors of the most serious acts of repression committed in this region from leaving Haiti. The commission has also asked that the constitutional government make as soon as possible a systematic census of all the prisoners of the Artibonite Department so that their rights are protected and no reprisal is made against the victims of the military to prevent them from testifying. The Commission also demands the creation of a penitentiary administration, totally independent of the Army and under the Ministry of Justice.

Furthermore, the HAITIAN PRESS AGENCY reports the lynching between the evening of 11 October and the morning of 12 October of three armed individuals caught red-handed in the area of Avenue Poupelard. Those individuals lynched by an angry crowd include a retired corporal of the Investigation and Anti-Gang Service.

Armed Forces Press Release on Respecting Human Rights

FL1310233594 Port-au-Prince Radio Metropole in French 1600 GMT 13 Oct 94

[Press release issued by the Army General Staff Secretariat; date and place not given—read by announcer]

[FBIS Translated Text] The Haitian Armed Forces report that, in accordance with the institution's code, Major General Jean-Claude Duperval, assistant commander in chief, has assumed temporary command of the Haitian Armed Forces until the president and Senate, in compliance with Articles 264-1 and 264-2 of the Constitution and the aforementioned code, confirm the appointment of a new commander in chief, following the retirement of Lieutenant General Raoul Cedras on 10 October. The military has been ordered to respect human rights and the rights of the Republic as it carries out its duties.

Radio Reports Arrival of Cedras, Biamby in Panama

FL1310154794 Port-au-Prince Radio Metropole in French 1400 GMT 13 Oct 94

[FBIS Translated Text] Generals Cedras and Biamby arrived at dawn in Panama, which has granted them political asylum. Upon his arrival, Gen. Cedras—surrounded by the members of his family—thanked the Panamian Government for having agreed to receive them. We learned that 23 people who accompanied the two generals have remained in Miami.

Meanwhile in Port-au-Prince, the residences of Gen. Cedras and those of his relatives, including that of his brother [Alix Cedras who left Haiti for Miami on the night of 12 October aboard an air ambulance following a heart attack], are occupied by U.S. soldiers to protect them from possible reprisals it is pointed out.

We learned that the United States rented Cedras' villa in Peguy-Ville. The United States also paid the fares for the transportation of the generals to Panama.

Barbed Wire Surrounds Army Headquarters; Outpost Burned

FL1310191294 Port-au-Prince Radio Metropole in French 1400 GMT 13 Oct 94

[FBIS Translated Text] Barbed wire was seen around Army General Headquarters on the morning of 13 October in Port-au-Prince. It was set up by the U.S. soldiers to keep the population away and to protect the occupants, including some who were held up on 12 October due to the presence of a threatening crowd.

Let us point out that in Carrefour the military outpost located near the Saint Charles Church was burned. The occupants had vacated the premises beforehand.

St. Lucia

Government Welcomes Aristide's Imminent Return

FL1310225994 Castries HTS Caribvision Television in English 1945 GMT 13 Oct 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] Saturday, 15 October, will see the return to Haiti of the first democratically elected president, Jean-Bertrand Aristide. The return of President Aristide comes just over two years following a period of exile after having been overthrown by a coup d'etat. President Aristide's return to Haiti can be described as a result of the collaborative efforts of the U.S. Government, the Caricom [Caribbean Community], and other members of the United Nations. As we hear in this dispatch from Stanley Lucien, this Saturday will go down in the annals of history as a very special day:

[Begin recording] [Lucien] Officials of the Ministry of Foreign Affairs are enthusiastic about the return of Father Jean-Bertrand Aristide to Haiti. Principal Assistant Secretary for the Ministry of Foreign Affairs Cyrus Reynolds says that the government of St. Lucia has, from the onset, been supportive of the democratic process.

[Reynolds] St. Lucia's position is unequivocal, unambiguous with regards its posture toward democratic institutions and processes around the world. By virtue of the government's willingness to accept the Haitians by request of the U.S. Government for safe haven here is indicative of the attitude towards the situation in Haiti. Everyone realized the diaspora, if anything, the movement, the exodus of the Haitian people, the boat people that they are known as, try to reach the United States because of the oppresive situation in Haiti as a result of the coup. You would recall also that St. Lucia did allow

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a mission, an observer mission to be part of the international community that paved the way for democratic elections in Haiti. St. Lucia did have a representation there, which looked at the process. And it was quite evident with regards to the atrocities that took place in Haiti that the government did not support the dictatorship of Raoul Cedras and the rest of them. So, the return of President Jean-Bertrand Aristide is something which has been welcomed or is welcomed from the St. Lucian perspective, from the government perspective.

[Lucien] With Father Jean-Bertrand Aristide soon to return to the reins of power, the Haitian society appears to have its best chance in years to begin to tackle the many challenges which lie ahead. [end recording]

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Envoy Rejects Expansion of UN Security Council

PA1410040094 Mexico City NOTIMEX in Spanish 2208 GMT 13 Oct 94

[FBIS Translated Text] New York City, 13 Oct (NOTIMEX)—Mexico today voiced it opposition to the inclusion of Japan, Germany, Brazil, or any other country as permanent members of the UN Security Council.

"Mexico feels there is no justification for adding new permanent members to increase the number of members of the Security Council," Ambassador Victor Flores Olea said in a speech before the General Assembly.

He pointed out that "Mexico supports the idea" of expanding Council membership through new nonpermanent members and "eventually through extended mandates or more frequent rotations."

Operation Dignity Initiated at Border With U.S.

PA1310172894 Mexico City XEW Television Network in Spanish 0430 GMT 13 Oct 94

[From the "24 Hours" newscast]

[FBIS Translated Text] Thousands of Mexicans initiated Operation Dignity today to confront Operation Guardian on the U.S. side.

Operation Dignity began without incident along the borders of Tijuana and San Diego. The region's various social organizations have called on the people who must cross the border into California not to make any purchases in that state.

According to Antonio Garcia, the Baja California human rights ombudsman, Operation Dignity, a boycott, is being carried out peacefully. So far, 45,000 leaflets in English and Spanish have been distributed. The leaflets urge the people not to make purchases in California and to speak out against Proposition 187 so that it is not approved on 8 November.

The Citizens' Defense Front, members of political and social groups, as well as approximately 100 students from the Autonomous University of Baja California positioned themselves at the border point at 0700.

According to Felipe de Jesus Equigua, a member of the Citizens' Defense Front, this operation will last 12 hours. The operation is to demand respect for Mexicans who live in the United States and who will be negatively affected if Proposition 187, which was proposed by California Governor Pete Wilson, is approved.

There have been street demonstrations and marches in Mexicali against Proposition 187, which would leave undocumented people in California without health or education services.

Dozens of Mexicali citizens have distributed leaflets urging the people to join the boycott against Proposition 187, which is sponsored by California Governor Pete Wilson.

Roads were closed at 0900, according to Silvia Beltran, a local deputy involved in this movement:

[Begin Beltran recording] From our point of view, that proposition is a result of a Nazi-style attitude. I believe this issue is a security problem more than anything else. [end recording]

Dolores de Mendez, leader of the People's Defense Committee, and other social leaders headed the roadblock. Dolores de Mendez said this measure is not harmful:

[Begin de Mendez recording] We know we could be hurting certain Mexicali people, but only a few. If Proposition 187 is approved, however, all Mexicans would be hurt. With his racist, fascist, and Nazi-style declaration that all Mexicans are filthy and panhandlers, he is already hurting us all. [end recording]

Zedillo on Narcotics Issues, Defending Immigrants

PA1310175094 Mexico City NOTIMEX in Spanish 0029 GMT 11 Oct 94

[FBIS Translated Text] Matamoros, 10 Oct (NOTIMEX)—Mexican President-elect Ernesto Zedillo promised here today to firmly fight drug trafficking and to defend the rights of Mexican immigrants in the United States during his Presidency.

During a regional productivity meeting held in this city located in the northern Mexican state of Tamaulipas, Zedillo said Mexicans throughout the entire country want to end the violation of laws, abuse, and impunity.

"The overall reform of the judicial system will be our response to criminal violence, to the crime accompanying all drug trafficking activities, and to those who are determined to preserve illegitimate sources of power and wealth," he said.

Zedillo, who won the presidential elections as the candidate for the ruling Institutional Revolutionary Party (PRI) on 21 August, said the groups of drug traffickers that operate in the country will be fought without respite.

The ruling candidate obtained nearly 50 percent of the votes cast in an election process considered one of the most observed and competitive in the country's modern history. Zedillo will be sworn in on 1 December.

Shortly before meeting with Texas Governor Ann Richards, the president-elect said in this city it is necessary to adopt sweeping reforms in the institutions that are in charge of public security and imparting justice.

"In this hour of indignation, as in all moments, we Mexicans have repeatedly condemned violence and are not willing to tolerate additional impunity, which constitutes the most brutal expression of injustice," he said.

Concerning his future policy on the Mexican migrant workers living in the United States, Zedillo said "there is

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no excuse for the violation of the human and labor rights of compatriots who step beyond our borders."

These violations "stem from an archaic xenophobia that is now being disguised as an economic rationale. The protection of their rights will be a foreign policy priority with the firm use of diplomatic and consular missions," Zedillo said.

Mexicans "know how to recognize and appreciate" the differences that exist between the treatment our countrymen get in states such as Texas and "the deplorable and unfair actions carried out in other areas of the United States," he added.

In this city, which borders the United States and which is located 1,000 km north of the Mexican capital, the president-elect reiterated his commitment to defend the legitimate rights of the migrant workers.

He said immigration is a problem that is shared between Mexico and the United States; therefore, it must be dealt with bilaterally, because "experience has shown that unilateral measures are useless and often counterproductive."

On other border issues, Zedillo said an extensive program should be drafted to promote exports as well as to seek the protection of our national products in view of unfair trade practices.

PGR Confirms Plot To Kill Other PRI Politicians

PA1410044794 Mexico City NOTIMEX in Spanish 2336 GMT 12 Oct 94

[FBIS Translated Text] Mexico City, 12 Oct (NOTIMEX)—Mexican authorities confirmed today that there was a plot to kill a number of politicians, including the secretary general of the governing Institutional Revolutionary Party (PRI), Jose Francisco Ruiz Massieu, assassinated here two weeks ago.

A communique issued Friday [7 October] by the Attorney General's Office [PGR] said the plan was revealed by Fernando Rodriguez Gonzalez, aide to Federal Deputy Manuel Munoz Rocha, identified as the mastermind behind the attempt against Ruiz Massieu.

Rodriguez was captured yesterday by the police and according to the Attorney General's Office declarations, it has been confirmed that the plot to kill Ruiz Massieu included the assassination of Manuel Cavazos Lerma, governor of Tamaulipas State.

The murder of former PRI National Director Fernando Ortiz Arana and ruling party Deputy Laura Alicia Garza Galindo was also planned.

Ruiz Massieu, a 48-year old lawyer and second in line in the PRI, was assassinated by a gunman on 28 September on a central street in Mexico City while he was getting into his car after attending a party meeting.

A document disclosed by Deputy Attorney General Mario Ruiz Massieu—brother of the assassinated politician— indicates that the plan was executed by orders from Deputy Munoz Rocha, currently at large after having requested a leave of absence from Congress.

According to the official communique, the plot intended to "rescue the positions for running the country for those persons who had been relegated," and "without any qualms about the means used to regain them."

Ruiz Massieu was considered one of the main promoters of a number of reforms aimed at modernizing the structure of the PRI, which has ruled the country without interruption since 1929.

Rodriguez, a 48-year old engineer, was sought by the police after having been identified as the man who contracted 28-year old gunman Daniel Aguilar Trevino to assassinate Ruiz Massieu.

The investigation led the authorities to the capture of nine persons, including Rodriguez, his wife, his brother, and his brother-in-law, Irvin Anthony Dorrego Cirerl, a Government Ministry photographer who knew Massieu's itinerary.

Rodriguez admitted having organized the operation to assassinate Ruiz Massieu and disclosed "the existence of a political group" of which Rocha formed part, led by ruling party Senator Enrique Cardenas Gonzalez "and other allied politicians."

A former associate of Ruiz Massieu, Abraham Rubio Canales—jailed for a million dollar fraud in Guerrero State—was also involved in the plot contributing the equivalent of $300,000 to pay for the operation's expenses.

Massieu's murder had been ordered by Munoz Rocha in December 1993, and a first attempt in April was canceled because the poeple contracted to do the killing "backed out" and left with part of the money.

Chiapas Marchers Commemorate Resistance

PA1410022594 Mexico City Radio ACIR Network in Spanish 0000 GMT 13 Oct 94

[Report by Javier Cruz de la Fuente in San Francisco de las Casas, Chiapas; from the "Evening News Panorama" newscast]

[FBIS Translated Text] This is a general report of what happened in Chiapas today. According to official reports, approximately 15,000 people marched on the main streets and avenues of San Cristobal de las Casas to commemorate the 502d anniversary of Indian, black, peasant, and popular resistance. There were some incidents during the march that disrupted order and violated the law. The Chiapas Attorney General's Office has said that complaints filed by the offended will be handled according to the law.

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After starting off at Juan Sabino Gutierrez Boulevard and Insurgentes Avenue at 1200 today, the marchers crossed the city in approximately 60 minutes and then rallied at Cathedral Plaza, where a raised platform had been set up. A number of speakers demanded the resignation of Eduardo Robledo Rincon, the declared PRI [Institutional Revolutionary Party] governor of Chiapas. While crossing San Cristobal de las Casas, the marchers sprayed private homes and public buildings with slogans and praises for Bishop Samuel Ruiz Garcia, Subcommander Marcos, and Amado Avendano Figueroa [the opposition candidate for the Chiapas governorship]. The marchers also damaged several cars, whose owners will file complaints at the regional coordinator's office of the Attorney General's Office this afternoon. Through loudspeakers, the marchers' leaders again and again severely criticized the federal and state governments. They said that if the government party insists on swearing in Rincon as governor on 8 December, the situation will worsen and an Indian uprising might occur throughout Mexico.

It has also been reported that the National Democratic Convention's [CND] plenary session made a pronouncement and asked the federal government to recognize that Avendano Figueroa won the 21 August election for governor of Chiapas. The CND warned that the Chiapas people are on the war path and that their just rebellion cannot be placated with crumbs. In addition, the CND made an appeal for peace to the federal government and EZLN [Zapatist Army of National Liberation], pointing out that the dialogue must be resumed on a new foundation along the concept of required deep economic, social, and political reforms. If there is no political willingness for democracy and for justice, it will be impossible to advance toward peace with dignity. In a three-page document called "For Peace," the CND said that in Chiapas, the alternative is either democracy or barbarism. The document criticized racial discrimination against Indians and favored progress, peace in democracy, and personal justice. It appealed to end the barbaric oligarchy once and for all and stated that Chiapas urgently needs a deep political change, because the state cannot wait any longer for democracy to be established.

The various police bodies that protected San Cristobal de las Casas during today's demonstration said the number of marchers was 15,000. In an official report, spokesmen for the state security organizations reported tonight that the demonstrators, while marching along the city's main streets and avenues, verbally abused the civilian population and spraypainted the walls of private homes and public buildings. Most of the slogans painted on walls criticized the state and federal governments, praised Bishop Ruiz and Subcommander Marcos, and demanded that Avendano Figueroa be recognized as the legitimate governor of Chiapas. Tonight, the federal road and port police department, headquartered in San Cristobal de las Casas and headed by Marco Antonio Gutierrez, reported that highways in the northern Chiapas' highlands are open to all vehicles and that so far, no roadblocks have been set up by the marchers and demonstrators. According to Oscar Dominguez Gutierrez, director of San Cristobal de las Casas municipal police, the Office of the (?Association) of San Cristobal de las Casas Municipality Teachers, whose office is located above the municipal president's office, was looted during the demonstration. There are no clues about who the looters might be.

In a communique addressed to the local and international media and the general public, the Emiliano Zapata Proletarian Organization [OPEZ], which is a part of the Bloc of Proletarian Forces and the (?Homeland) Council of Peasants and Indians of Chiapas, says that, after 502 years of civil, peasant, and popular resistance in Chiapas, civil resistance continues in the country and the American continent to protest the exploitation and misery to which the area has been subjected by the Spanish invaders in the past and by the bourgeois state, represented by the neoliberal system, Yankee imperialism, and the signing of NAFTA in the present. These forces have continued to exploit our people, destroy our cultures, and loot our natural resources. This situation of injustice, including the counterreform embodied in Articles 27, 4, 3, 123, and 130, among others, on which the rank and file has been consulted, has results in Indian, peasant, and popular groups initiating a process to recover the land, which for many years has remained in the hands of bosses, landowners, and foreign enterprises.

The communique also stated: We take up the agreements and demands of the CND as the basis to build peace with dignity. For this reason, we favor a government of transition and a constituent congress. We hereby express total support for the EZLN as a belligerent force. We favor a new political constitution in the country and a professional and popular administration. In addition, the OPEZ demands total distribution of the large land holdings, fair and stable prices for corn and beans, the annulment of all arrest warrants for overdue loans, fair electricity rates, respect for the land recovery process in Motozintla and the coast of Chiapas, low-interest and timely loans, and a stop to repression and political assassinations.

CND Demands Troop Withdrawal From Chiapas

PA1410033594 Mexico City LA JORNADA in Spanish 12 Oct 94 p 7

[Report by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 11 Oct—The plenum of the National Democratic Convention (CND) demanded that the federal government withdraw its troops from the areas of conflict in Chiapas, remove its roadblocks, and stop its incursions into areas under the control of the Zapatist Army of National Liberation (EZLN) as proof of its willingness to resume the interrupted Chiapas peace talks.

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However, in a unanimously approved manifesto, the CND stated that due to the gravity of the situation, it is necessary not only to stop the war but to advance toward a peace including democracy, justice, and dignity for the entire nation through a real dialogue that embraces all important national economic, social, and political issues.

The CND emphasized that throughout the entire nation, and particularly in Chiapas, there is an urgency for "a profound political change," because if a military solution is chosen, "there will be a bloodbath and it will be impossible to return to a peaceful democratic transition in Mexico."

The Convention warned that the choice "is democracy or barbarism, the transition toward democracy or an even greater hardening of the position of the oligarchy."

Within this framework, the CND called on national and international organizations to renounce war and to form a single front in support of peace and to break the information siege.

The hundreds of delegates—from throughout the country—met in one forum, discussed, and issued the document in which they blame the government "for favoring the renewal of the armed conflict and for all the political and economic consequences it will bring upon Mexico and the people of Chiapas."

At a meeting in the recently built City Theater—the pride of San Cristobal de las Casas' upper classes—peasants, Indians, workers, students, settlers, and union representatives expressed their concern over the breakdown of the dialogue between EZLN and the federal government.

However, the CND said the EZLN decision is a result of the climate of war created by "the military deployment of the Federal Army and the concentration of its forces in the state," as well as the constant aggression occurring at roadblocks and by the low overflights of military airplanes over the towns situated in the conflict zone.

Elaborated by the presidency of the CND and read by Francisco Jimenez, a member of the State Council of Indian and Peasant Organizations (CEOIC), the manifesto is also a call to stop the provocation and demand new ground rules so that the talks may resume.

In a broader sense, the CND termed as "irresponsible" the decisions made by the part of the federal government "that believes the situation can be solved by implementing minor changes" and that is demanding the resumption of talks based on new foundations.

This is why the CND is saying that the future of Chiapas is not at stake in this situation; the future of the country is, because if the war breaks out, there will be widespread consequences due to the current unstable conditions.

As it expounded on the situation prevailing in Chiapas, the CND reported on evictions using teargas dropped from helicopters in Soconusco, the attempt to use tanks to evict peasants in Ocosingo, the military raids conducted in buffer zones, the constant intimidation carried out by military agents, the raping of women as part of "war booty," and the blunt fraud committed during the 21 August elections.

The CND pointed out that land tenure is another of the aspects that must be solved, because while there is an "illegal latifundium system" among cattlebreeders and farmers, demands are also being made on land owned by Indian peasants excluded from agricultural development programs.

In summary, the CND maintained that it will be impossible to carry on with a dignified peace process unless we resolutely solve these problems by having a true political resolve.

Following the presentation of the manifesto, the CND continued to work until midnight, when the "governor by popular demand," Amado Avendano Figueroa, who has almost recuperated from the attack he endured a couple of months ago, closed the convention.

As the CND finished its work, the convention delegates agreed by 296 votes in favor and 215 against to hold a second session from 4 to 6 November in Chiapas. In addition, the CND announced a march to Mexico City on 1 November to stage protests during the last address to the nation by President Carlos Salinas, the swearing-in of Avendano as Chiapas governor on 8 November, and a national strike to be declared at an undetermined date.

Article Profiles Activities of Sinaloa Cartel

PA1310221294 Mexico City LA JORNADA in Spanish 10 Oct 94 pp 1, 20

[Report by Rosa Icela Rodrigiez, Juan Manuel Venegas, and Ciro Perez Silva—passages in italics as published]

[FBIS Translated Text] The story of the Sinaloa Cartel is more hair-raising than any *thriller* in which the war for the control of drug trafficking is mixed up with the murders of the small children and wife of supreme *capo* Hector Palma, alias *El Guero*, who is still at large.

The members of the Sinaloa *Cartel* pursue a path of *vendettas* and drugs, the buying off of commanders and judicial police, murders, escapes, underground networks, ambushes, and romance.

Luis Hector Palma Salazar, Miguel Angel Felix Gallardo, Martin Moreno, Tiberio Moreno, and Francisco Ruben Sanchez Coronel were engaged in their criminal actions under more or less "cordial" terms up until 1986 when Rafael Enrique Clavel Moreno appeared on their turf.

The handsome, young Venezuelan arrived in Culiacan in February of that year to attend the School of Accounting and Administration at the Autonomous University of Sinaloa.

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The good-looking 25-year-old conquered many Sinaloa girls, among them Minerva Palma, a secretary, with whom he had an affair.

He liked that girl even more when he learned her family was very well-to-do. Minerva was the sister of Hector Palma, alias *El Guero*Sinaloa *Cartel*capo.

Clavel decided to request his membership in the organization and after being accepted met Guadalupe Leija Serrano, a beautiful woman with whom he had a dangerous relationship, given she was the wife of his boss, Hector Palma.

Love and Revenge

At that time, according to the files of the Attorney General's Office, Miguel Angel Felix Gallardo, Eduardo Retamoza, alias *El Lobito*, and *El Guero* Palma were part of this cartel. When they lost a cocaine shipment that was valued at several millions of dollars, they blamed Retamoza and killed him.

Miguel Angel Gallardo also blamed *El Guero* Palma for the loss of the cocaine. Though pardoned, Palma felt at risk, so he made a deal with the rival organization of Felix Gallardo, that of Joaquin Guzman Lopez, alias *El Chapo*.

Miguel Angel Felix Gallardo operated with the support of his nephews Francisco Javier and Ramon Arrellano Felix from there on up until his arrest, which occurred a short time after. There is a hefty reward for the capture of the Arrellanos, who are involved in the 1993 murder of Cardinal Juan Jesus Posada Ocampo.

The deadly struggles between both gangs are still continuing.

Meanwhile, the hidden love affair between Clavel and Palma's wife continued until the day they decided to flee far from Sinaloa in order to live together. They left for Venezuela, taking with them Palma's two children.

Clavel and Guadalupe left the two minors in someone's charge in South America in order to leave for the United States. Little Jesus Hector was left with Rafael's mother, and the girl, Natalya Palma Leija, was left with her brother in Puerto Ordaz.

According to official files, the couple went alone to San Francisco, California, to withdraw from the bank a sizable sum of dollars Guadalupe had in an account.

Rafael Clavel strangled Guadalupe in a hotel after picking up the money and threw her body next to a freeway [preceding word in English].

U.S. authorities managed to find out that Clavel was on drugs when he murdered the woman from Sinaloa.

He returned to his country later, carrying the money, and decided to also kill the children, after considering that they posed a risk to his security. They both knew his name and how he had escaped with their mother.

With a cool look and a firm pulse, he took the children to the Concord Bridge, in the town of San Cristobal, and, despite the children's begging, he threw them from a height of 40 meters.

Clavel was already being chased by the Venezuelan police, because he murdered the children the day before, checked into a hotel whose manager recognized the children, the clothes they were wearing, and gave a physical description of the murderer.

Finally, Rafael Enrique Clavel was arrested by authorities from his country, confessed to having committed those crimes, and was sentenced to serve 30 years in prison.

The Norma Corona Case

At that time, according to reports by the PGR [Attorney General's Office], Mario Alberto Gonzalez Trevino, head of the Federal Judicial Police [PJF] in Sinaloa State, allowed the infiltration of drug traffickers from the group of El Chapo Guzman and Palma. He needed that support to protect his shipments and facilitate the movements of his armed groups between various sites of the operation.

Simultaneously, Hector Palma began persecuting the individuals related to Clavel. Palma's way of operating consisted of gathering a group of between seven and 10 PJF agents so as to kidnap the victims in their homes.

The criminal group began by killing three Venezuelans and Sinaloa attorney Jesus Guemes Castro, who played host to Rafael Clavel.

Human rights activist Norma Corona Sapien demanded with marches, sitdown strikes, and letters addressed to authorities that Guemes and the three Venezuelans be returned alive, and she directly accused PJF agents of being responsible for the kidnappings and disappearances.

When the PJF found the bodies semi-buried in an unpopulated area in Culiacan behind the Puerta del Sol Hotel on 11 March 1990, according to journalist reports, Mrs. Norma Corona stated before the press that she had evidence incriminating PJF agents and their commander in the crimes.

Corona, who was a college professor, was on her way home on 21 May 1990 after teaching a course at the Law School of the Autonomous University of Sinaloa when three armed individuals shot her on a street in the Sinaloa capital.

Narco Judicials

Toward the end of June, federal police arrested Issac *El Caballo* Chavez Lafarga in Sinaloa. He told police that he had participated in the attorney's murder and that his accomplice was Salvador Robledo Gudino. He said he

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had received instructions from Santos Humberto Arellano Bazan, *El Santillos*, who, according to Chavez, was the liaison with the brains behind the crime.

The official version states Commander Mario Alberto Gonzalez Trevino reported on 29 June "finding" the bodies of *El Santillos* and Infantry Captain Ignacio Jaime Ruiz Castro on the premises of a technological training school while he was on an operation in Tijuana. The autopsies indicated they had been shot to death with 7.62 caliber bullets from an AK-47 rifle.

According to official sources, Gonzalez Trevino tried to direct the investigation to Miguel Angel Rico Urrea, an alleged criminal merchant from Sinaloa, and accused him of being the person behind the murder of Norma Corona due to "difficulties he had had with the legal council of several former employees."

It was proven later that Gonzalez Trevino had blackmailed Rico Urrea into giving him $1 million in exchange for excluding him from the police investigations.

In August, Governor Francisco Labastida Ochoa agreed to allow Adelaido Velarde Cabanas to be the Judicial Police operations coordinator in the state and tasked him with the Norma Corona murder investigation, which had become a national demand by that time.

Velarde did some investigating on his own and found out the Federal Judicial Police in Sonora, Baja California, was providing protection to drug trafficker Luis Hector Palma.

This bold policeman followed several leads indicating Palma was to meet with Commander Gonzalez Trevino at his office. Velarde ordered that the men be intercepted at a toll bridge along the International Highway.

A detail led by Gonzalez Trevino arrived at the site late that night. Velarde was killed when he tried to arrest them, because *El Guero* Palma was reportedly riding in the convoy.

Northern police circles know this story well. Since then, revenge, murders, and shoot-outs have taken place between the two gangs: *El Guero* Palma's and the Arellano group.

Besides the murders of family members, 30 such deaths up to now, the *capos* are still fighting to the death for control over the channels into the drug markets.

These and other such stories are sung by folk singers in the northern territories every day over the radio.

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El Salvador

President: Gore Promised Cooperation on Emigration

PA1310215694 Panama City ACAN in Spanish 1908 GMT 13 Oct 94

[FBIS Translated Text] Managua, 13 Oct (ACAN-EFE)—Salvadoran President Armando Calderon Sol affirmed today in Nicaragua that U.S. Vice President Al Gore promised "all his cooperation and help" to extend the stay of Salvadoran emigrants in the United States.

Gore and the Central American presidents met Wednesday [12 October] in Managua at the Ecology Summit, where the governments of the region will make a series of environmental commitments.

During a break in the summit's last working session, Calderon Sol said: "Talks with Vice President Gore have been encouraging for Salvadorans and for our compatiots living in the United States."

He added: "I spoke to him about the need to extend the stay of our compatriots, and he has offered to cooperate fully to secure the extension of their temporary residence status."

He noted: "We spoke at length about this problem, about El Salvador's achievements, about democracy, and about the peace that has been secured, a true example for the world."

Commenting on the Ecology Summit, which concludes this Thursday, President Calderon Sol said the "Alliance for Sustainable Development" declaration was signed last night and that it includes a series of political, economic, and social concepts to face the task of Central American development in the next millennium.

He noted that Central America wants to safeguard its environment "because we cannot continue destroying and disregarding nature, the heritage of the people."

With regard to his country's environmental situation, President Calderon Sol said El Salvador "is the most severely hit" because of its demographic density, the problems of the war, and territorial limitations."

According to data provided by the Salvadoran Center for Appropriate Technology, more than 80 percent of El Salvador's forests have been destroyed, and more than 77 percent of the lands are "gravely" affected by erosion.

Guatemala

President 'Respects' Panamanian Decision on Cedras

PA131021469 Panama City ACAN in Spanish 1933 GMT 13 Oct 94

[FBIS Translated Text] Guatemala City, 13 Oct (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio said today that he respects the Panamanian Government's decision to grant asylum to Haitian coup leader General Raoul Cedras.

The soldier, who deposed President Jean-Bertrand Aristide in 1991, arrived in Panama today with his family and supporters after Panamanian President Ernesto Perez Balladares granted them all indefinite asylum.

Upon returning from Nicaragua, where De Leon took part in the Ecology Summit, he said: "I respect Panama's decision from a domestic standpoint, but it is up to the international community to decide whether to criticize" the decision to grant Cedras asylum in Panama.

The Guatemalan President said that asylum in Panama is justified by the restoration of Haitian democracy.

De Leon Carpio took office on 6 June following a failed coup by Jorge Serrano, who is also living in asylum in Panama.

President on Trade Talks With U.S. Vice President

PA1410030694 Guatemala City Teleonce Television in Spanish 1900 GMT 13 Oct 94

[Report on news conference by President Ramiro De Leon Carpio at the Guatemalan Air Force Protocol Hall on 13 October; from the "Telepress" newscast]

[FBIS Translated Text] In a brief news conference, President Ramiro De Leon Carpio announced the support of U.S. Vice President Al Gore for the signing of a cooperation agreement between the United States and Central America during the Americas Summit in Miami next December.

[Begin De Leon Carpio recording] U.S. Vice President Al Gore said Central America has made a significant move from theory to practice of sustainable development by making concrete commitments. He added that this progress will not only set an example for mankind but will also make Central America a worldwide leader in this area. Gore also expressed his government's support for a cooperation agreement between the United States and Central America, which could be signed within the framework of the Americas Summit in Miami in December. We will make all the necessary efforts to make this decision a reality.

A document was signed yesterday that will become the basis for achieving democratic, cultural, political, and socioeconomic progress to benefit approximately 30 million Central Americans. This document is a reality. Once it was signed, we received offers of international economic cooperation, not just from the United States but from the international community in general.

As I told you, when I was leaving for Managua yesterday morning, we also had plans to discuss trade relations. We, the Central American presidents, expressed our concern over the fact that the U.S. executive branch has decided not to submit the Interim Trade Program to

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Congress. The U.S. executive branch made this decision because it believed that submitting the program would have jeopardized the approval of laws that could reinforce the agreements reached at the Uruguay Round.

We also referred to the negative effects that the implementation of NAFTA has had for Central America, such as the loss of comparative advantage and the loss of production and competition in the region's economies. Of course the Central American presidents support NAFTA and free trade, but only so long as there are guarantees that it will not adversely affect the region. That is why we are fighting to see that the program be applied to us.

The U.S. Government—and this is the highlight, the answer I bring to Guatemala—regretted Congress' opposition to the program. Although the U.S. Government made a commitment to strongly promote this initiative once the next congressional session begins in January 1995, it will not be submitted as part of the GATT. The U.S. Government also conveyed its interest in defining and implementing a new trade relationship with Latin America, particularly with Central America. To this effect, the U.S. Government suggested that meetings prior to the hemispheric summit would be the most suitable opportunity for such a discussion. The Central American presidents proposed to Vice President Gore the exploration of broader and more beneficial options than the Interim Trade Program. [end recording]

Foreign Minister Comments

PA1410024494 Guatemala City SIGLO VEINTIUNO in Spanish 11 Oct 94 p 6

[FBIS Translated Excerpt] [passage omitted] Foreign Minister Marithza Ruiz believes that Congress has caused disappointment throughout the region since the [Interim Trade] program was so modest that it could not have in any way affected the final outcome of the GATT negotiations. Vielman made this statement in direct criticism of U.S. arguments.

Vielman said the U.S. Government will be asked to reconsider the inclusion of the program since it constitutes a palliative to the effects of NAFTA. [passage omitted]

Vielman refused to comment on any possible regional reaction should the United States refuse to consider the Central American request and said it involves topics that will be discussed by the foreign ministers when the time is right.

Minister: U.S. Violating GATT in Meat Case

PA1410045494 Guatemala City PRENSA LIBRE in Spanish 13 Oct 94 p 119

[FBIS Translated Text] Agriculture Minister Luis Del Valle has commented on a U.S. proposal to import Guatemalan meat products with tariffs between 20 and 40 percent if our countries import special cuts of U.S. beef without tariffs.

The industrialized nations will comply with GATT regulations so long as it benefits them, otherwise they could care less, Del Valle stated.

Del Valle said the EU [European Union] has violated the GATT with banana imports, and the United States has done it with imports of tobacco and meat, which adversely affect the Central American economies since those products are among their traditional exports and therefore constitute their main sources of foreign currency.

In the case of meat, Del Valle said he will soon meet with producers, retailers, exporters, and packers to make the best decision for Guatemala, because the U.S. proposal must be carefully examined and analyzed from every aspect of the cattle market.

Foreign Minister Reacts to EU Statements on Trade

PA1410042294 Guatemala City LA REPUBLICA in Spanish 11 Oct 94 p 12

[Report by Maynor Amezquita]

[FBIS Translated Text] The European Union [EU] cannot condition technical and financial aid and cooperation on respect for agreements and free trade, Foreign Minister Marithza Ruiz de Vielman said yesterday. This was her reaction to statements by EU delegation chief Vittorino Alloco [EU ambassador to Central America based in Costa Rica] who said that Guatemala earns less from banana sales than from European aid.

EU representative Vittorino Alloco said that Guatemala is exaggerating its protest against quotas imposed on banana imports if its revenues are compared to the benefits Guatemala receives from cooperation and if the low representation of this product in trade with the EU is taken into account.

In this regard, the foreign minister said that those should not be the prevailing criteria in assessing Guatemala's position, but the respect for the rules of trading established by member countries of international organizations.

Ruiz de Vielman agreed with the EU ambassador that the European Court of Justice ruling rejecting an amparo filed by Germany affects no producer; "it is an initiative by a union member that refers to a lack of requisites for approving any law affecting the 12 community members."

"We have other paths open to gain access for Latin American bananas into the European market that we will continue to use," she added.

There is also another initiative filed by Germany on whether the EU Commission went beyond its perogative when it negotiated and presented a proposal to establish

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quotas on bananas entering Europe, because it had been rejected by seven of the 12 member countries.

"Countries that are members of a bloc along with Guatemala hope that the EU will change its position and that it will realize that the proposal presented in Marrakech is contrary to the spirit of GATT," the foreign minister added.

Panama

Police Agents To Protect Cedras; Unions Protest

PA1310154394 Panama City EL PANAMA AMERICA in Spanish 13 Oct 94 p A-1

[Report by Arnulfo Barboso Watson and Juan A. Pritsiolas]

[FBIS Translated Excerpt] [passage omitted] Jose Luis Sosa, who is in charge of presidential intelligence, has reported that the Haitian foreign generals and their families will be guarded by National Police agents and the Institutional Protection Service. The Haitians will have to pay for all their expenses during their stay in Panama.

Concurrently, labor unions have expressed their disagreement with the asylum granted to Cedras and Biamby. Julia Suira, CONATO [National Council of Organized Workers] coordinator, has said this council does not support Panama being turned into "a disposal for dictators who oppress the people and commit murder and violate human rights."

Nevertheless, Saulo Salgado, of the General Central Organization of Panamanian Workers, has supported the decision to grant asylum to the top brass of the Haitian military.

Meanwhile, Professor Miguel Antonio Bernal, who was brutally assaulted in 1979 by the National Guard for opposing the arrival of the shah of Iran, Mohammed Reza Pahlevi, has said the concept of asylum is being modified, because asylum is always granted to the persecuted, not "tyrants."

Assembly Summons Minister To Explain Asylum

PA1310143594 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Oct 94 p 1

[From "The Latest" column]

[FBIS Translated Text] The Legislative Assembly has summoned Foreign Minister Gabriel Lewis Galindo to explain the Panamanian Government's decision to grant political asylum to Haiti's former ruler, General Raoul Cedras.

The summons, a consensus decision of the various parliamentary groups, requests the minister's presence on Monday, 17 October.

Human Rights Official Agrees With Asylum

PA1310160094 Panama City EL PANAMA AMERICA in Spanish 13 Oct 94 p A-10

[Report by Carlos Anel Cordero]

[FBIS Translated Text] Osvaldo Velasquez, president of the Panamanian Human Rights Committee, has said he agrees with Panama granting political asylum to Haiti's General Raoul Cedras but believes his stay should be conditional.

Cedras is not a common refugee or a destitute person as the rafters are but, rather, someone who has inflicted much damage in his country. For this reason, conditions for receiving him in Panama would have to be very different, Velasquez has said. Nevertheless, it is up to the Panamanian Government to determine the terms for Cedras' stay in Panama and to see to it that those terms are complied with.

According to Velasquez, Cedras would have to stay within the framework of international conventions on political asylum. The general would have to remain "isolated" from local politics and, at the same time, to avoid criticizing or publicly voicing his position about any actions taken by the United States or the Haitian Government. Velasquez has said Cedras could forfeit his political refugee status should he take sides publicly or participate in politics, either directly or indirectly, and would have to return to Haiti or go to some other country. "I do not believe he will cause any trouble, although I cannot rule it out," Velasquez has said. He must do everything possible to prevent it, he has said.

Panama has granted political asylum to other politicians who have left their respective countries under conditions similar to Cedras'.

Legislator: Haitian Officers Linked to Drug Trafficking

PA1310145394 Panama City EL PANAMA AMERICA in Spanish 13 Oct 94 p A-1

[Report by Carlos Vargas]

[FBIS Translated Text] Legislator Pablo Quintero, a member of the opposition Arnulfist Party [PA], disclosed yesterday that the Haitian high-ranking military officers who could receive political asylum by the Panamanian Government are linked to international drug trafficking.

Quintero, addressing the Legislative Assembly, reported that included among the 14 Haitian officers who could receive asylum in Panama is a first cousin of senior military officer Philippe Biamby. This cousin is a member of the Cali Cartel, a Colombian organization involved in drug trafficking.

In addition, the PA legislator disclosed that the list of people about to receive asylum also includes Michael

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Francois, the head of Haiti's port services, [name and title as published] who is the owner of a sea vessel that was captured in Coco Solo last year carrying 1,000 kg of cocaine.

The legislator said Francois has much explaining to do on the 1,000 kg of cocaine seized at the Panamanian Port of Coco Solo.

According to the legislator, the international drug trafficking mafia is interested in having the Panamanian Government grant asylum to the Haitian military leadership, which benefited recently by an amnesty approved by their country's parliament.

"These are the gems General Cedras is bringing with him," Legislator Quintero said.

Official Rules Out Sending Police to Haiti

PA1310161594 Panama City EL PANAMA AMERICA in Spanish 13 Oct 94 p A-11

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Official sources ruled out yesterday the possibility of the Panamanian Government sending a contingent of police officers to Haiti.

"We have not considered the possibility of sending policemen to Haiti for the time being; we are waiting for the United Nations to make a decision on the matter," an official spokesman has said.

He added: "The idea of sending police officers to Haiti was initiated by the previous government; it is not an initiative taken by the government of Ernesto Perez Balladares. We are analyzing the situation and will make a decision in due time."

The decision to send some 25 police officers was made during the government of former President Guillermo Endara Galimany, and it was aimed at helping the peace process in that Caribbean nation after the military men left power.

U.S. President Bill Clinton has announced that Haitian President Jean-Bertrand Aristide would return to his country on 15 October, following the resignation of until now head of state Raoul Cedras from his post. Cedras, along with former Metropolitan Police Chief Michael Francois and Staff Chief Philippe Biamby, headed the 30 September 1991 coup d'etat.

The goal of having Panamanian policemen participate was to train Haitian police personnel in surveillance and patrolling tactics similar to those used in Panama.

The United Nations, whose goal is to keep order and peace in that Caribbean nation, has requested this help.

The spokesman added that President Perez Balladares has not yet announced his intention to send police officers to Haiti.

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Argentina

Di Tella: Troops Can Be Sent to Persian Gulf If Needed

PY1310205094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1718 GMT 13 Oct 94

[FBIS Translated Excerpt] Buenos Aires, 13 Oct (NA)—Foreign Minister Guido Di Tella today did not reject the possibility that Argentina will again send troops to the Persian Gulf if tension persists on the Iraqi-Kuwait border.

This notwithstanding, the minister recalled that Argentine soldiers are already to be found in the region as members of a UN peace mission, and he indicated that an increase in the number of men "depends on an eventual UN decision."

Di Tella made these remarks during the report that he gave to the Senate's Foreign Relations Committee at noon today. He was accompanied by Octavio Frigerio the head of the Commission for the Fight Against Hunger and Poverty. [passage omitted]

Menem: Relations With U.S. at 'High Level'

PY1310224694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2053 GMT 13 Oct 94

[FBIS Translated Text] Buenos Aires, 13 Oct (NA)—President Carlos Menem today defended Argentina's alignment with the United States, adding that "bilateral relations have never been at such a high level."

The chief of state said Argentina "has transformed itself economically and changed its political perspective, thus permitting more freedom than ever today."

He highlighted his policy "of peace" and condemned "those countries that are still involved the industry of death when those resources could be used to revert the situation of thousands of people throughout the world."

These remarks were made by Menem during his address today at the closure of the Pharmaceutical Congress.

Menem Advocates Closer Ties, Free Trade With EU

AU1310190194 Duesseldorf HANDELSBLATT in German 13 Oct 94 p 13

[Report by Joachim Hoenig: "Free Trade With the European Union Offers Enormous Prospects"]

[FBIS Translated Text] Buenos Aires—In an interview with European journalists, President Carlos Menem affirmed the hope of the Mercosur community that economic relations with the European Union (EU) will be intensified. He stressed the wish for a transatlantic free trade zone that will provide "enormous opportunities" for both sides. We were prepared to accede to the North American Free Trade Agreement, but we decided against it because we prefer closer ties with the EU, Menem said.

Recently, on the sidelines of the UN General Assembly in New York, the EU foreign ministers and the Mercosur group officially discussed for the first time opportunities for the improvement of their economic and trade relations. Before the end of the year, a declaration of intent might be signed. Menem did not want to overrate possible special interests of individual EU ministers in the field of agriculture, which might prevent a free trade zone.

"Brazil's Real Plan Is Lucky Chance"

Menem does not see a potential for a conflict between the EU and the Mercosur that is comparable with the banana controversy. The problem of the Falkland Islands will also not play a role in the deepening of the economic relations with the EU, said the president, who has been in office since 1989.

Menem welcomed the result of the presidential elections in Brazil. He called the Real Plan developed by elected President Fernando Henrique Cardoso "a lucky chance" for the whole of Latin America, as well as the Mercosur economic community. Now the asymmetries between the economy of Argentina and of Brazil have to be reduced with the present government and the future president. He specifically mentioned the combating of inflation in Brazil and the reduction of imbalances in bilateral trade.

At the beginning of next year, after several years of preparations, Argentina, Brazil, Uruguay, and Paraguay will initiate a customs union with a joint external tariff system. Menem expects the admission of further members to this community in the next few years. After Chile and Bolivia, Ecuador has now also officially expressed its interest in membership.

Five years after his assumption of office, Menem affirmed that in the event of his reelection in the presidential elections next year in April he will continue the liberal course. Particularly the broad acceptance of his policy among the poorer people confirmed his objective, he said.

The state's withdrawal from the economy resulted in a new culture both in the entrepreneurs' union and the trade unions. Today the process of modernization is supported by all social groups. This year, with an economic growth of 6 percent, Argentina is second in Latin America after Peru. For 1995 Menem again predicted a higher growth rate of 7 percent. The president places great hopes in the development of industrial production.

In contrast to its neighboring country Brazil, industry has been regarded as the weak spot of the Argentine economy so far. However, for the first time in years import statistics are indicating a major increase in the imports of capital goods in the first half year of 1994.

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With a 28-percent increase in imports as a whole, their import value increased by 75 percent by the end of June.

In view of this development, Menem coolly assesses the increase in the trade deficit, which has to be expected again. In a transformation process, which his country is currently going through, all that has to be accepted. In the first half of the year, the deficit increased by more than 200 percent to $3.2 billion, as compared to the same period last year.

Stable Peso Is To Strengthen Economy

Menem affirmed that Economics Minister Domingo Cavallo and he will stick to the fixed exchange rate of the Argentine peso with the dollar. The export trade in particular is complaining about the close linkage with the U.S. currency and sometimes talks of an artificial overvaluation of the domestic currency. Menem affirmed that the two currencies' ratio of one to one is a main element of the convertibility program that came into force in 1991.

The objective of this currency policy measure is, on the one hand, permanent pressure on the industry, which is supposed to increase its productivity in the enterprises in competition with low-priced imports. Moreover, the export economy is not to hope for an improvement of its competitiveness by devaluations. On the other hand, Menem and Cavallo succeeded in forcing the inflation rate down to an extremely low level. Within five years, the rate of price increase decreased from more than 5,000 percent (1989) to 3.8 percent in the current year. Menem expects 3.5 percent for 1995.

Generals on Importance of Military Exchange With Chile

PY1310184894 Buenos Aires TELAM in Spanish 1552 GMT 11 Oct 94

[FBIS Translated Text] Buenos Aires, 11 Oct (TELAM)—Military Affairs Secretary Jorge Baeza and Brigade General Javier Zalazar Torres, director of Chile's National Academy of Political and Strategic Studies, today stressed the importance of exchanging military knowledge.

Baeza received a Chilean delegation made up of 24 high-ranking chiefs and officers at the Defense Ministry, within the framework of the seminar on "Peacekeeping Forces" attended by students of the Argentine military institutions' Advanced Strategy courses.

The foreign military delegation had been received earlier by Lieutenant General Mario Candido Diaz, Joint General Staff chief. Gen. Diaz said the visit constitutes "one more step in the continuing rapprochement" in the military relations between the two nations.

Baeza said the meetings "will encourage better understanding and unity between the Chilean and Argentine peoples."

Brig. Gen. Salazar Torres, in turn, said: "We feel a lot of expectation here, because we understand we must increase our exchange in order to understand one another better." Salazar Torres called for "overcoming all difficulties in our path toward achieving common good."

Justice Minister Meets PRC Vice Justice Minister

PY1310151294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1814 GMT 11 Oct 94

[FBIS Translated Text] Buenos Aires, 11 Oct (NA)—Justice Minister Rodolfo Barra today stressed that China and Argentina "have established very important ties in judicial and penitentiary issues," emphasizing "the growing exchanges we are implementing" with this Asian country.

Barra made these remarks upon receiving PRC Vice Justice Minister Zhang Xiufu, who is visiting our country.

During a meeting on the seventh floor of the Justice Ministry, Barra emphasized: "We have been establishing very important ties between Argentina and China over the past few years."

The justice minister stressed: "Going beyond the cultural and traditional differences that may exist between our two countries, we share this important issue, namely guaranteeing an efficient justice administration and the existence of appropriate legislation for the justice service."

Barra also mentioned the changes that our national government has been implementing over the past few years, emphasizing economic stability, oral proceedings in criminal courts, and the scheduled implementation of oral proceedings in civil and commercial courts.

The minister stressed: "There are still very important unresolved points. There are problems that must be solved. One of these points involves the administration of justice, which has infrastructure shortcomings and obsolete procedural legislation."

Afterwards, the Chinese vice minister paid a protocol visit to the Supreme Court. On the fourth floor of the Supreme Court, the Chinese vice minister was met by acting Supreme Court President Ricardo Levene (Junior) and Justices Gustavo Bossert and Guillermo Lopez.

Defense Minister Favors Regional Technological Cooperation

PY1310150294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2250 GMT 12 Oct 94

[FBIS Translated Text] Buenos Aires, 12 Oct (NA)—On 12 October, Defense Minister Oscar Camilion said he

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stood for regional integration in defense research, pointing out that cooperation "is crucial for achieving development and growth."

Camilion viewed in a positive light a coordination of efforts with the Chilean and Brazilian Armed Forces in order to "further scientific and technological cooperation in the area of defense."

He said: "This entails a great political process and the ability to understand things and define problems, which is something that was almost unthinkable 15 years ago."

Camilion further stated that "it would have been a utopian ideal to imagine 15 years ago these three countries trying to define common goals in the area of scientific research linked to defense, as each was marching on its own path then, and according to the others' initiatives."

The defense minister made these remarks during the speech he delivered to close the First Southern Cone Workshop on Science, Technology, and Defense, sponsored by the Defense Committees of both chambers of Congress.

Several subjects of interest for the region, such as Defense Production, Sensitive Technologies, and Airspace and Communications, were discussed during this two-day workshop attended by delegations from Chile, Brazil, and Argentina.

In his closing speech Camilion pointed out that the initiative to get Argentine, Brazilian, and Chilean military men together to work on a joint endeavor "is a very significant event, especially because this task has to do with scientific areas that contribute to the advancement of defense."

He went on to say that "defense is inextricably intertwined with science and technology. What is more, the bulk of investments in science and technology in the United States, for example, are made in the defense area."

"This is an example taken from the real world, as is the fact that there is no coordination whatsoever between our countries concerning outlays on defense for science and technology purposes."

Government Approves Security Secretariat's Structure

PY1310220894 Buenos Aires TELAM in Spanish 2323 GMT 12 Oct 94

[FBIS Translated Text] The executive branch has approved the Security and Community Protection Secretariat's [Secretaria de Seguridad y Proteccion de la Comunidad] operational chart and structure through a decree authorizing secretariat chief Andres Antonietti to appoint the personnel who will work with him.

The decree is signed by President Carlos Menem. It is dated 23 September, but it was released only today.

The decree's introduction says the executive branch's purpose in this is to concentrate security tasks in an organization "whose area of influence is restricted to internal security."

The decree points out "the convenience" of adopting, as a basis, the Interior Security Under Secretariat's structure and organization, adding that "really important structural changes are necessary."

The decree also says: "The secretariat needs highly trained professional and technical personnel earning incomes in accordance with the importance of their functions in order to guarantee the fulfillment of its objectives."

The decree authorizes a change in budget allocations and establishes that the secretariat's operational expenses will be discounted from amounts assigned to the presidency.

According to the organizational chart, the secretariat will be comprised of a Security Council, a Crisis Committee, a Security Under Secretariat, and a Community Protection Under Secretariat.

The secretariat will also have under its jurisdiction a Legal Affairs Directorate, a General Plans and Policy Department, a Coordination and Intelligence Department, and a Budget and Administration Department.

Menem: Fixed Exchange Rate To Continue Beyond 1995

PY1310205294 Buenos Aires TELAM in Spanish 1314 GMT 12 Oct 94

[FBIS Translated Text] Buenos Aires, 12 Oct (TELAM)—On 12 October, President Carlos Menem reasserted that the fixed rate of exchange between the peso and the dollar will be maintained beyond 1995.

Radio Baires from La Plata [capital of Buenos Aires Province] sought the head of state's opinion about a public opinion poll conducted among financial managers showing that they expect the dollar exchange rate to continue unchanged for another 15 months.

Menem said he did not know "what line of reasoning" financial experts used in order to come to this conclusion, but he asserted that "we will continue with the fixed exchange rate for a much longer time."

Court Orders Detention of Montonero Leader's Wife

PY1310173994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1742 GMT 13 Oct 94

[FBIS Translated Text] Buenos Aires, 12 Oct (NA)—On 12 October, San Martin Federal Court confirmed the preventive detention of Ana Maria Sivori, wife of the

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Montonero leader Enrique Gorriaran Merlo, on charges of having masterminded the attack on the 3d Infantry Regiment headquartered at La Tablada [in greater Buenos Aires, on 23 January 1989] together with her husband.

The Federal Court ruling states that Sivori is charged with the crimes of "aggravated illegal association, rebellion, first-degree murder, and reiterated aggravated robbery," among others.

Furthermore, the Federal Court found Sivori guilty of "actively participating, together with the top leaders of the All for the Fatherland Movement (MTP), in the drafting of a document outlining the government policy" that this group was to have implemented if the attack had been successful.

Bolivia

Sending of Police to Haiti Causes 'Uneasiness' in Military

PY1310210994 La Paz LA RAZON in Spanish 1 Oct 94 p A3

[FBIS Translated Text] The departure of 108 [number as published] Bolivian police officers has prompted uneasiness within the Armed Forces because the military wanted to participate in the multinational force that is operating in Haiti to restore democracy.

This complaint comes from the Defense Ministry itself; Minister Raul Tovar said, at the beginning of the week, that Army officers should be the ones to grant assistance to Haiti. Several documents that were circulating yesterday among military officers supported that opinion.

When asked about this matter, Interior Secretary Hugo San Martin said that it was not a decision of the government but of the United Nations, which has asked Bolivia for cooperation specifically in the police field.

Cooperation in this field was sought because the Haitian police force is part of the Armed Forces and the intention of the democratic government, with the support of the United Nations, is to create an institution of control and service. The Bolivian police force is an institution of control and service, as opposed to the Armed Forces, the mission of which is combat, San Martin said.

Shiriqui: High Command Backs Decision

PY1410011994 La Paz LA RAZON in Spanish 1 Oct 94 p A16

[FBIS Translated Text] Santa Cruz—Joint Chief of Staff General Moises Shiriqui [position held before resignation on 4 October] has asserted that "the military high command respects President Gonzalo Sanchez de Lozada's decision to send 108 [figure as published] police officers to Haiti to aid the Haitian security forces."

According to Shiriqui, as a country that belongs to the international community, Bolivia cannot deny its support to a sister nation, but this does not entail an intromission and, less still, an intervention.

As for Navy Commander Admiral Julio Molina's situation, Shiriqui said his duties had been suspended in compliance with a Supreme Military Court order because he is being prosecuted for abuse of authority.

Shiriqui said that while Molina's trial is under way, the Navy will be headed by Vice Admiral Roberto Barrios, who was a member of the Bolivian delegation to a meeting with the Paraguayan military command.

Editorial Questions Decision

PY1310151694 La Paz LA RAZON in Spanish 1 Oct 94 p A5

[Editorial: "Our Police Contribution to Haiti"]

[FBIS Translated Text] The least one can say about the administration's decision to send 108 policemen to Haiti is that it gives rise to doubts. There is, of course, a UN resolution in this regard, but to what extent was our country compelled to make this contribution, which far exceeds the basic principle of lending support to democracy and a state of law in all nations?

In his letter to President Jean-Bertrand Aristide, the president states that Bolivia had in the past—and we are obviously talking about the recent past—suffered "the humiliation of despotism," and that due to this unfortunate experience it fully understands the situation Haiti is enduring. So far so good. But what if, in order to recover from Garcia Meza's dictatorship, for example, or from the entire phase before the restoration of democracy, we had had a multinational presence of policemen and soldiers with the authority and power to keep us under their orders, to watch us, to impose rules and use their weapons against any Bolivian who disobeyed their orders? It is quite likely that an intervention of that nature would have bothered us, and who knows whether the results might not have been the same as those we ourselves would have obtained.

Some may say that the conditions and the temporary, social, political, cultural, historical, and whatever other circumstances are different. The Haiti of today is quite different from the Bolivia we were talking about. And this is something nobody can deny; but the principle or principles referring to international relations have not changed, although the circumstances may have done so. We should act in keeping with those principles, and not with the changing situations, forgetting what is fundamental.

There are also some doubts about the timeliness of the sending of policemen. It is said—and it is true—that many countries have agreed to make similar contributions to Haiti. But did Bolivia have to make its contribution right now, among the first countries, quite ahead of President Aristide's return?

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It would be quite a different story had the Bolivian police gone to help give technical and professional training to the Haitian policemen; to deal directly with them, from institution to institution, rather than with the people. Missions of this nature are quite normal. We have had them here, and they have been of great benefit here and in other parts of the world, precisely within the framework of international cooperation. But as far as we know, that is not exactly and exclusively what the 108 Bolivian policemen are going to do in Haiti. Could it be that they will be using new training methods, especially field training, only this time the theater of operations will be real rather than simulated?

Moreover, each country gives the help it can, according to its means. One wonders what Bolivia's possibilities might be in the police field. Without questioning the merits, professionalism, or training of our security forces, it is sad to admit its shortcomings in meeting the public's needs. There are few policemen, and by no means are they able to cover their various specialities, some of them worse than others. Now, with this generous shipment, the shortage of policemen will worsen for 90 days. Let us pray to God that all those who left will also return, as we must admit that the job they will do there is not free from risk.

Of course, it would not be fair to totally and absolutely criticize the administration's decision to send policemen to Haiti, because obviously not everything they have done is wrong. This decision, however, does give rise to some doubts, which should not be glossed over or kept to oneself, because the fact is that not everything has been duly explained and set down in black and white.

Former Armed Forces Chief on Military 'Indiscipline'

PY1310225794 La Paz PRESENCIA in Spanish 7 Oct 94 p 7

[FBIS Translated Text] General Moises Shiriqui Vejarano, former Armed Forces chief of staff, warned last night that the bad example of some members of the current top military command provokes indiscipline among the middle ranks of the military institution.

He said that the performance of these commanders, whose names he did not mention, discredits the Armed Forces and creates an environment of institutional uneasiness that should be taken into consideration by President Gonzalo Sanchez de Lozada.

He reaffirmed that Presidency Minister Carlos Sanchez Berzain is the main political personality who meddles in strictly military matters, and demanded greater respect from the executive branch for the Armed Forces.

He cited as example the situation of Navy Commander Admiral Julio Molina, "who reportedly clings to Sanchez Berzain as if he were his godfather who grants him protection and prevents him from being tried by the military courts for the presumed crimes he committed by taking advantage of the post he is still holding."

"This has created much restlessness in the Armed Forces and affected discipline, because if we the superiors are charged with setting a good example and are the first to violate the laws and rules, surely our subordinates will fall into arbitrary actions," the general said in response to a question by PRESENCIA.

"This was the main reason I submitted my request for retirement to the president, because my entire life has been ruled by discipline, the laws, and the military rules, and now that I was in a position to fulfill the law, I could only observe sadly that some members of the top military command do not show any sense of dignity or respect for the laws," he added.

He said that "the presidency minister's action was obvious not only in the case of the admiral; he also deliberately ignored the authority of General Fernando Sanjines, the Armed Forces commander."

"The 72-hour arrest I have imposed on the Navy commander has never been carried out because of the minister's action. He learned about it (the arrest order) and went to the commander in chief. They talked for more than half an hour, and Admiral Molina participated in the conversation," Shiriqui recalled.

"Then Sanchez Berzain and Molina left the commander's office and Molina did not serve the sentence imposed by his hierarchical superior," he added.

When asked about the assumption of office by General Carlos Macias, designated by President Sanchez de Lozada to replace him, Shiriqui said this measure "once again violated the military rules and laws."

"It is another example of the bad advice the president has received in the military field, because it is not correct. The chief of staff is the second rank in the hierarchy and the second in command of the Armed Forces, and for this reason he must be of a military rank higher than the commanders of the force, but the law is not being fulfilled," he added.

In his opinion, "the president must promote General Macias in order that he will be higher ranking than those to whom he gives orders, because he is the immediate assistant to the commander in chief," he said.

He said that a promotion would allow the new chief of the General Staff to be equal in rank and hierarchy to Generals Reynaldo Caceres of the Army, Jose Perez Reyes Ortiz of the Air Force, and the punished Admiral Julio Molina of the Navy, who have reached the top military rank.

However, he explained that it will not reverse the situation of Gen. Macias, "who, even if he is promoted, will have less seniority than those who are now his subordinates."

Concerning the controversial decision of military troops to take to the streets of La Paz during the coca conflict, "that was not ordered by any military commander."

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"That decision was fully irregular, and it caused uneasiness not only among the people, but also within the Armed Forces," he said.

Brazil

Fraud Charges, Death Threats Jeopardize Rio Tally

PY1310102994 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Oct 94

[FBIS Translated Text] New fraud charges and even death threats are jeopardizing the vote counting process in Rio de Janeiro. At most of the Rio de Janeiro Regional Electoral Court, TRE, chambers, hundreds of ballots are being rechecked. The number of votes irregularly counted could total 190,000. The TRE can still deem irregular the vote tally of 300 more ballot boxes, with an equivalent of 60,000 votes. New charges are continually arriving at the TRE.

A Military Police soldier who was responsible for the security of a TRE chamber was arrested today. He was accused of belonging to the group responsible for the instances of fraud. TRE Judge Paulo Cesar Salomao has said that electoral court judges have been receiving death threats because they have decided to recheck the ballots.

The Superior Electoral Court, TSE, has decided to closely control vote counting in Rio de Janeiro State. Here is reporter Pedro Chagas Neto's report from Brasilia:

As a result of the delay in vote counting in Rio de Janeiro and the fraud charges, TSE Supervisor General Flaquer Scartezzini will travel to Rio de Janeiro tomorrow. He will act as the TSE watcher and will monitor the process until the end. Scartezzini and the five judges who have allegedly been receiving death threats will be protected by Federal Police agents 24 hours a day. Two agents will be protecting each judge. Policemen will have bullet-proof vests, machineguns, and—according to the TSE—anything else that may prove necessary to ensure the security of the judges and of those who are working in the vote counting process. Scartezzini will leave Brasilia early tomorrow; from the moment of his departure, he will be under Federal Police protection.

Gang Linked to Organized Crime Said Involved

PY1410020194 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Oct 94

[FBIS Translated Excerpt] A gang is commanding the electoral fraud in Rio de Janeiro. The scheme of selling and transferring votes to benefit certain candidates was organized eight months ago.

In February, organization of plans to commit fraud in the Rio de Janeiro elections began. The scheme coordinators are experienced people: Some of them participated in fraud against the National Social Security Institute, while others know how to steal from the health system. In a curious sort of alliance, they joined with some sectors of the local organized crime. This new sort of organized crime in Rio de Janeiro was then entitled: Let's Make a Pact [Combinemos].

To make the operation more effective, the map of Rio de Janeiro State was divided into three parts: one for the Rio group, another for the Baixada Fluminense group, and the third one for the interior of the state group. Each group has one or more commanders. [passage omitted]

As soon as the vote scrutiny began, the TSE was informed about the fraud system being used in the vote counting process. The court then decided to distribute party supervisor credentials among policemen who were trusted by the courts. This is how 14 people were arrested and taken to the Federal Police precincts. The TRE and the police, however, know that the fraud network goes beyond the 14 people already arrested. Therefore, the TRE and the Federal Police will continue investigating until they can identify the command of the so-called Let's Make a Pact organization.

Army Troops To Control Vote Counting

PY1410014594 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Oct 94

[FBIS Translated Text] Army troops will guarantee investigation into the electoral fraud in Rio de Janeiro. Here is Marcelo Canelas' report from the Superior Electoral Court, TSE, in Brasilia:

The Rio de Janeiro Regional Electoral Court, TRE, made an urgent request to TSE President Sepulveda Pertence. He immediately asked the Army Ministry to send federal troops to the 25th Electoral Region in Rio de Janeiro, which is counting the votes of the Campo Grande and Santa Cruz districts in the western part of Rio de Janeiro. The TRE and the TSE thus want to identify further instances of fraud and ensure that all votes are accurately counted.

The Army Ground Operations Command, which is headquartered in Brasilia, immediately contacted the Rio de Janeiro East Military Commander, General Edson Alves Mey, who has to organize the operation and determine how many soldiers will be used in it. Gen. Mey has already contacted the Rio de Janeiro TRE. Any moment now, the troops will leave the Army units in Rio de Janeiro and move toward the 25th Electoral Region.

Attention, Army soldiers are already ensuring the vote counting process at the 25th Electoral Region in Santa Cruz District, Rio de Janeiro. The troops started to arrive a little while ago. The Army reinforcements have been requested to ensure security of the vote counting process. The soldiers will remain in the 25th Electoral Region until the process is entirely concluded.

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Over 99 Percent of Vote Tallied Countrywide

PY1410030394 Sao Paulo AGENCIA ESTADO in Portuguese 0155 GMT 14 Oct 94

[FBIS Translated Text] AGENCIA ESTADO tonight reported that 99.7 percent of the votes have already been counted. They represent the ballots cast at 282,676 voting locations countrywide. The figures are as follows:

Fernando Henrique Cardoso	34,270,490	(54.4 percent)
Luiz Inacio Lula da Silva	17,071,463	(27.1 percent)
Eneas Carneiro	4,638,950	(7.4 percent)
Orestes Quercia	2,766,964	(4.4 percent)
Leonel Brizola	1,981,526	(3.1 percent)
Esperidiao Amin	1,737,129	(2.8 percent)
Carlos Gomes	386,640	(0.6 percent)
Hernani Fortuna	236,591	(0.4 percent)
Null votes	7,417,578	(11.8 percent)
Blank votes	7,175,887	(11.4 percent)

Cardoso Backs Covas Candidacy; To Visit Russia, Sweden

PY1410012194 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 13 Oct 94

[FBIS Translated Text] In Sao Paulo, before arriving in Brasilia, President-elect Fernando Henrique Cardoso paid tribute to late Deputy Ulysses Guimaraes. Cardoso also expressed support for the candidacy of Mario Covas to the state governorship.

This morning, Cardoso, who arrived in Sao Paulo last night—he was coming from Pantanal—attended the first public rally held after the elections.

Cardoso visited the Ulysses Guimaraes institute in the Ibirapuera neighborhood, and paid tribute to the politician, who died two years ago. The president-elect recalled moments when he lived near Guimaraes, and the process of formation of the MDB [Brazilian Democratic Movement].

In his speech, he asked people to support the candidacy of PSDB [Brazilian Social Democracy Party] Senator Mario Covas to the governorship of Sao Paulo.

[Begin Cardoso recording] Today we are in a new phase of Brazilian life. Today I am the president-elect thanks to the work and efforts of many fellow party members, of everyone here, and of many other millions of Brazilians. Yet at this time when I am paying tribute to Guimaraes, I would also like to say that the president has commitments and that he is politically involved. The president knows and will know how to behave in line with his high post, but will not refrain from fulfilling his commitments. We need Sao Paulo, and I need Mario Covas in the Sao Paulo governorship. [end recording]

Cardoso will depart for Europe over the weekend. He is due to visit Moscow and Stockholm. This information was released by PSDB President Pimenta da Veiga, who added that it will be a private visit.

Foreign Minister Amorim Interviewed

PY1310210094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Oct 94 Section 1 p 10

["Excerpts" of interview with Foreign Minister Celso Amorim by Daniela Rocha, in New York on 30 September]

[FBIS Translated Text] [Rocha] What is the result of Brazil's participation in the opening session of this UN General Assembly?

[Amorim] Brazilian participation was very active, not just because of the attitudes reflected in the opening speech—which conveyed our categorical views on some issues like Cuba and Haiti—but because we also made concrete proposals on a development conference and on the reform of the United Nations Charter in connection with the Security Council.

The proposals had repercussions. This year I held 30 meetings, some bilateral—with China and Canada—and others multilateral.

We had Rio Group and Mercosur [Common Market of the South] meetings, and we also met with the EU [European Union], and with Canada, to debate matters like the Summit of the Americas.

Those meetings were useful because they allowed the Rio Group—whose presidency is held by Brazil, which gives us more elbow room—to outline its views on current Latin American issues to groups of countries from other regions.

There was also a Security Council meeting—which was attended by ministers—to listen to U.S. Secretary Warren Christopher on the Haitian situation.

I once again reaffirmed the Brazilian position. We expressed our concern about the presence of foreign forces in a Latin American country. We believe it is an alarming precedent.

[Rocha] Was any agreement reached during those meetings?

[Amorim] Only with Uruguayan Foreign Minister Sergio Abreu, as a result of a previous conversation. It involves a bilateral power grid agreement.

There were positive conversations, especially about the development conference and the expansion of the Security Council; a matter on which a consensus has already been reached.

The reform should make the Security Council reflect the various opinions and situations in the world.

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This will not be attained by including just two new permanent members that are highly industrialized countries (Japan and Germany). They should be admitted, and developing countries as well.

We must find a consensus. Brazil is a developing nation that has Western values.

We can contribute to the creation of a consensus on major international issues because we recognize our situation—although we evidently want to promote our development.

[Rocha] Is Brazil's admission as a permanent member of the Security Council the first step into the First World?

[Amorim] I do not know. China is a permanent member of the Council, and it cannot be said to be a First World country from the viewpoint of wealth and consumer goods.

Our objective is obviously to reach the First World, but our status of permanent member would prove respect for Brazil's capacity to undertake action at an international level.

Our progress in the consolidation of democracy, in resuming economic growth, and in achieving economic stability are also important, major factors.

[Rocha] Has Brazil adopted a controversial position on the embargo on Cuba and on Haiti?

[Amorim] The world level opinion is close to that of Brazil, which considers isolation as an unsuitable way to help Cuba tackle its problems. Resolutions were approved last year criticizing the embargo one way or the other.

I feel that many Latin American countries, like Venezuela and Colombia, have an increasingly open position toward Cuba.

I do not mean that my speech influenced this result, but the speech highlighted something that might be a trend. Perhaps Brazil spoke more clearly than others.

[Rocha] And the invasion of Haiti?

[Amorim] It is a controversial situation. Criticism of General Raoul Cedras' regime, however, has been unanimous. Brazil has always said it wanted the withdrawal of the coup leaders and the return of President Aristide.

The controversial side of the matter is the way of achieving the objective. We believe the justification of the use of force is unlikely—as set forth in Chapter 7 of the United Nations Charter—because it is difficult to see the Haitian situation posing a threat to international peace and security.

Democratic principles have been violated, and this—from our point of view—justifies other sanctions, but not force.

[Rocha] What was the U.S. reaction to our position?

[Amorim] Brazil consistently upholds the principles of nonintervention and self-determination. I think there is great respect for the Brazilian position.

I met with Secretary of State Christopher, who came to congratulate me after the opening session. This reflects a respectful attitude despite our differences of opinion. This is normal, because this is how a democracy works.

[Rocha] After the elections, would you accept the post of, for example, ambassador to the United States?

[Amorim] I am a professional diplomat, and I will probably become ambassador somewhere. It would be very fine to be designated to that country, it would also be politically interesting.

Designations, however, are made by the president. We are now holding elections. We will see what happens and what the president will decide. All my life—not just temporarily—I have been linked with foreign policy.

I will be very happy if I can continue to cooperate with Brazilian foreign policy, so that Brazil may be designated a permanent member of the Security Council, although I can do this from anywhere.

[Rocha] Was there any preparation for Brazilian participation at the UN General Assembly?

[Amorim] Yes, we recently held a meeting in Brasilia of the South Atlantic Peace and Cooperation Zone, which developed from a Brazilian initiative of the 1980's. We approved documents on the denuclearization of the South Atlantic.

We also arranged strategic partnerships in Asia. We implemented the largest scientific and technological cooperation project among developing nations: It is the joint satellite project we are developing with the PRC.

The Franco administration said it will observe the principles regarding control of exportation of missile technology.

This set of actions, which have already been undertaken, has clarified our relations with Germany and France.

We have maintained intense relations with developing countries. Our foreign policy has indicated to other countries that Brazil is a good political and commercial partner. This caused the flow of foreign investment into Brazil to grow.

[Rocha] What do you think of the Brazilian electoral process?

[Amorim] The electoral process is exemplary because of the broad freedom that candidates enjoy for expressing their opinions.

The two candidates with the strongest chances command respect at a national and at an international level. I believe this is a good reason to be happy.

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[Rocha] In an interview granted to foreign journalists, presidential candidate Fernando Henrique Cardoso outlined his plan to privatize state companies and attract investments from abroad in telecommunications, petroleum, mining, and highway construction. Are you in favor of that policy?

[Amorim] The privatization process follows the liberalization of the economy, promoting integration with the global economy.

Brazil has undergone major changes, and it is only right to attract foreign investment and technology to those areas. It is reasonable to continue to strive for the opening of markets for our exports in developed countries, with easier access to sophisticated technology.

The future for Brazil lies in a more dynamic integration into the global economy.

The greatness of nations and the wealth of peoples are the result of the capacity to produce goods and services with a high content of technology, of knowledge. This is what we must achieve.

[Rocha] Brazil produces a large diversity of goods. Does that help our foreign policy?

[Amorim] We have immense capacity and an enormously diversified productive apparatus. For many years we implemented the policy of trying to produce everything. We tried to produce everything from "camembert" to jet planes.

Today there is a new idea. We know we can produce everything, but we must specialize in some sectors because this is what all countries are doing.

Let us consider the information sector. Neither those who advocate full market closure to protect domestic production, nor those who said Brazil should import everything are right.

I believe we should discover the sectors and sub-sectors in which Brazil has to specialize, because this will produce more wealth.

I believe Brazil will only manage to fully absorb the dynamics of international trade and the great financial and technological flows if it works on its external front and makes great efforts to improve its conditions for education and health, and invests in science and technology.

[Rocha] Is the real plan a social adjustment factor?

[Amorim] The real plan is an economic stabilization plan. It is essential for this process, it is the start. If we do not stabilize our currency everything will get out of control.

Over the years I have observed that a lot has been said but very little has been done in this respect. Brazil invests about 0.7 percent of its GDP in the field of science and technology.

Developed countries invest between 2 and 3 percent of the GDP in this field. South Korea, which is experiencing great economic growth, is currently investing 2.5 percent of its GDP and its goal is to increase this to 4 percent by the end of the century.

If Brazil does not make this kind of investment it will not become integrated into the global system.

I think we have the potential. Intelligence, smartness, and even the ability to improvise are becoming increasingly important.

[Rocha] Technological development requires high investment in research.

[Amorim] Of course. There are specific fields in Brazil in which great progress has been attained, but the level of national investment in research is still very low.

[Rocha] Do you think the real plan will help to adjust the distribution of income?

[Amorim] The stabilization plan has improved the distribution of income, especially among the lower classes which, in the past, could not channel their money into financial application funds.

But a balanced distribution of income does not imply the improvement of wages alone. It is the result of the distribution of assets. In the past, the main asset was land; now it is knowledge.

People with access to knowledge have a better standard of living.

That is why education is essential for our competitive integration into the international economy and for the internal process of distributing wealth.

UN Security Council Membership Receives Support

PY1210224394 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Oct 94 p 5

[Report by Maria Helena Tachinardi from Brasilia]

[FBIS Translated Excerpt] The enlargement of the UN Security Council, which is currently one of the most important issues of Brazilian foreign policy, was mentioned on 6 October by Fernando Henrique Cardoso, the virtual president-elect, during his first news conference since the elections.

Cardoso said: "Brazil hopes to join the UN Security Council and we must recognize what this signifies. We must accept our responsibility and participate more actively in international decisions." [passage omitted]

Brazilian diplomats worked hard at the 49th UNGA in New York to obtain the support of the international community for a permanent seat on the council. Officially, the Brazilian Government already has the votes of Venezuela and Portugal following last week's speeches

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by their respective presidents. Itamaraty deems important the support of the Portuguese Government in view of Portugal's influence over EU [European Union] countries and the Community of Portuguese-Speaking Countries.

Venezuela is the first Latin American country to officially support Brazil's plans. Brazil will find it difficult to be accepted as the only Latin American candidate for a permanent seat on the UN Security Council because Argentina is also a candidate and this will divide the region.

One diplomat said: "Brazil does not claim to be an effective regional representative." He stressed Brazil's credentials: It is the 11th largest contributor to the U.N. budget; it has not engaged in a war with any of its neighbors for the past 120 years; and, after Russia, it is the country with the longest borders in the world. He said: "With all this we should be eligible. If the UN Security Council were restructured and only Germany and Japan were to retain permanent seats, we would have a Group of Seven (of the richest countries) plus the PRC, which would imply limiting the global balance of power."

Purchase of 110 Missiles from Russia Reported

PY1310164294 Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Oct 94 p B4

[From "Danuza's" column: "Special Mission"]

[FBIS Translated Text] After Brazilian Foreign Minister Celso Amorim concludes his visit to Russia, a Brazilian business delegation will travel there at the beginning of November to increase trade between the two countries.

The last group of Brazilians who visited the Russian steppes purchased 110 Soviet Igla missiles—idle since the end of the Cold War—which are similar to the U.S. Stinger, used in the Persian Gulf War.

Apparently they are meant to be used to fight the drug traffickers in the slums of Rio de Janeiro.

Colombia

Prosecutor: Cali Cartel Supplied Information on Escobar

PA1310220094 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 12 Oct 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Prosecutor General Alsonso Valdivieso admitted on 11 October that Cali Cartel members gave authorities valuable information to track down Pablo Escobar and some of his lieutenants, as revealed by a magazine with nationwide circulation on 10 October, although Colonel Hugo Martinez, chief of the Medellin Search Bloc, emphatically denied hours ago that this circumstance had indeed occurred.

Two months before the death of Pablo Escobar Gaviria, the Search Bloc was following his steps very closely thanks to specific information provided by Cali Cartel spokesmen. The "Seven O'Clock Newscast" learned on 11 October that the Cali Regional Prosecutor's Office is holding the testimonies of people who identified themselves as spokesmen for that organization and who provided information on the main activities of the Medellin Cartel chief.

One of those testimonies reveals the degree of the Cali Cartel's infiltration of Escobar's organization. The Search Bloc was the main benefactor of this information it received through the Prosecutor General's Office. The Cali Cartel's surveillance of Escobar was so intense that it hired Japanese communications experts to track him down via powerful devices.

Authorized sources have revealed that the information supplied by the Cali Cartel proved to be important in the killing of men who were very close to Escobar, such as El Chopo [alias of Mario Alberto Castano] and El Angelito [alias of Alfonso Puerta Munoz]. The prosecutor general admitted on 11 October that the Cali Cartel did cooperate in the operation that led to the killing Pablo Escobar:

[Begin Prosecutor Valdivieso recording] The well-known confrontation among members of different cartels could have prompted investigative organizations to carry out operations that led to the capture and death of Pablo Escobar. [end recording]

The prosecutor general ruled out, however, the supplied information will benefit Cali Cartel chiefs should they surrender to justice.

Government Launches Illicit Crop Substitution Program

PA1410042594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Oct 94

[Report by Fernando Ramos; from the "National Newscast"]

[FBIS Translated Text] The government has announced its goals regarding the substitution of illicit crops. In four years, between 25,000 and 30,000 hectares that are today planted with cocaine and poppy are expected to be replanted with other crops.

This crop substitution program is expected to benefit approximately 100,000 families, which are thought to head the narco-farms. The government said it is about to finalize a $150-million credit to get this ambitious project under way.

The crop substitution program was announced at the end of the CONPES [National Council for Economic and Social Policy] meeting a few minutes ago.

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The government launched today the most ambitious illicit crop substitution program to eliminate such crops as poppy, coca leaf, and marijuana. This program is launched at a time when it is said that Colombia is the second largest coca leaf producer in the world.

[Begin recording] [Ramos] Dr. Gabriel De Vega, director of the National Drug Directorate, what is the extent of this new plan launched today?

[De Vega] The program initiated today is the spearhead, from the social standpoint, of the Colombian Government to prevent, curb, and eliminate illicit crops. This represents a landmark within the drug struggle in Colombia. Similar programs had been waged before, but they were based on international cooperation and funding was very limited.

The program offers the 212 municipalities of the country affected by this problem the possibility to formulate projects in this area, with the clear and defined commitment of eradicating illicit crops. [end recording]

Controversy in Congress Over Bill on Illegal Enrichment

PA1410044994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 14 Oct 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] A true political crisis emerged today in the Chamber of Representatives over a letter addressed to the First Commission by Senators Juan Guillermo Angel and Fabio Valencia Cossio, the contents of which were agreeable to President Samper. In other words, the Liberal and Conservative representatives of the First Commission rebelled against the political directives issued by their leaders.

The letter, signed by Liberal Party faction leader Juan Guillermo Angel and Fabio Valencia Cossio, president of the Conservative Party Board of Directors, caused an uproar today in the Chamber of Deputies. Both senators asked the representatives of the First Commission to vote against the bill which legalizes the use of front men for illegal operations and erects obstacles to punishing illegal enrichment.

The request, made in agreement with President Samper, was not warmly received.

[Begin recording] [Representative Yolima Espinosa] I want to tell Dr. Juan Guillermo Angel that if he wants to become the single director of the party, he should call a convention and be elected. But he must stop telling us what to do.

[Representative Jairo Romero, in progress] ...if these two self-styled government spokesmen, as they stated in their letter, voted or did not vote on the bill we have been discussing for some time, if Juan Guillermo Angel and Fabio Valencia Cossio voted on this bill in the Senate. [end recording]

Some representatives also commented on the media's conduct during the ongoing debate over the controversial bill.

[Begin Representative Miguel de la Espriella recording] I today hold those media sources which have made such irresponsible accusations responsible for anything that may happen to me from now on. [end recording]

The offended congressmen decided to declare a permanent recess until the Prosecutor General's Office investigates whether the reports made by the press are true. But the Prosecutor General's Office will be unable to investigate—because it does not have the authority—whether there were irregularities within Congress that allowed a bill that does not benefit the people to be approved in such a hasty manner.

Presidency Issues Communique

PA1410045194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 14 Oct 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] The anger of the representatives of the First Congressional Commission over the letter by Senators Juan Guillermo Angel and Fabio Valencia Cossio and the government's attitude, according to them, of telling them how they must legislate prompted the Narino Palace to issue a communique today. It stated that the government wishes to convince Congress of the need to change the wording of the current bill, which is worrisome, according to many people, because it helps drug trafficking instead of fighting it.

Senator Fabio Valencia Cossio commented on this issue.

[Begin recording] [Valencia Cossio] I cannot force any representative to vote in a specific manner, but I fulfilled my obligation to make a warning.

[Unidentified reporter] The representatives have said that this discussion could have been held within the Senate. They wonder why you are raising these objections now.

[Valencia Cossio] Well, I am not a member of the First Commission, which is tasked with discussing this bill in-depth. When it was presented before the plenum, we raised the objections presented by the prosecutor general at that time and the justice ministers, but unfortunately the Senate approved the initiative despite the government observations.

In any case, if we made a mistake at that time, there is still time to correct it. I think it is best to turn back time and adopt a radical and responsible position, not to simply let things go by. [end recording]

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Ecuador

Doctors Ask President To Exercise To Avoid Back Operation

PA1410045294 Quito Voz de los Andes in Spanish 1200 GMT 13 Oct 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] President Sixto Duran-Ballen must follow a strict exercise program to eliminate his back and backbone ailment. Doctors have recommended the president swim 30 to 40 minutes daily over a three-week period and jog every day so he can recover and not be forced to travel to the United States for a new checkup or possible surgery.

Paraguay

Argentina's Menem Expresses Solidarity With Wasmosy

PY1410013794 Asuncion RPC Television Network in Spanish 0046 GMT 14 Oct 94

[FBIS Translated Excerpt] During a telephone conversation with his Paraguayan counterpart, Juan Carlos Wasmosy, Argentine President Carlos Saul Menem expressed his solidarity with him concerning the recent events in our country. [passage omitted]

Presidential Secretary Ruben Melgarejo Lanzoni reported on yesterday's conversation between President Menem and President Wasmosy over the attack [in which National Antinarcotics Secretariat, Senad, head General Ramon Rosa Rodriguez was killed] and the DEA involvement in drug enforcement in South America. [passage omitted]

[Begin Melgarejo recording] Dr. Carlos Saul Menem yesterday called to express his solidarity with President Wasmosy and the Paraguayan nation over the events in our country on 10 October and the days that followed. [end recording]

Menem offered his cooperation and expressed his support for Wasmosy's efforts to resolve the attack. [passage omitted]

Peru

Poll Shows Fujimori Leads With 41 Percent

PY1310215494

[FBIS Editorial Report] Lima LA REPUBLICA in Spanish on 25 September 1994 on pages 2 and 3 carries a 2,200-word report on a recent poll by the National Intelligence Service, SIN. It states: "Those who conducted this poll said that although President Fujimori continues to lead, Javier Perez de Cuellar has consolidated his position and increased his support."

The report adds that, despite being a secret poll, LA REPUBLICA reporters were given access to the results.

The poll was conducted from 18 to 24 September among 1,500 men and women and in important cities nationwide, particularly in those cities where the NO-vote prevailed in the referendum.

Asked for whom they would vote if elections were held tomorrow, 41 percent said Fujimori; 23.5 percent said Perez de Cuellar; 10.2 percent said Susana Higuchi; 7 percent said Mercedes Cabanilla, from the American Popular Revolutionary Alliance, APRA; 3.4 percent said Lima Mayor Ricardo Belmont; Luis Caceres Velasquez and Raul Diez Canseco obtained the support of 2 percent each; and Fernando Olivera obtained the support a modest 1 percent. The article adds that those who conducted the poll said that "Fujimori obtained an average of 38 percent in the provinces."

When asked for whom they would vote in the runoff elections if the contenders were Fujimori and Perez de Cuellar, 48 percent said Fujimori; 39 percent said Perez de Cuellar; 8 percent were undecided and 5 percent said they would vote blank."

This important 8 percent of undecided votes confirms the impact that Susana Higuchi's candidacy has had on the people. When asked for whom would they vote if the runoff elections were between Susana Higuchi and Fujimori, 31 percent voted for Higuchi and 58 percent for Fujimori.

The SIN poll shows 67 percent believe Susana Higuchi is entitled to run for the president like any normal citizen and they disapprove of the law which prohibits presidential relatives from running for president. Asked if they believe it is correct for Mrs. Fujimori to run for president while her husband is the president, 32 percent said yes; 35 percent no; 27 percent said it depends on her current marital situation; 6 percent did not answer.

The article notes: "For the first time a confidential SIN poll states that Javier Perez de Cuellar has a very good chance of increasing his popular support."

The report adds that the poll established that voters identify better with the names and prestige of candidates than with the new political movements. It adds that traditional parties continue to enjoy popular support, despite the low profile they maintain although they are gradually increasing their participation. Asked for whom would they vote if elections were held tomorrow, 37 percent said Change 90-New Majority; 12 percent said Popular Action Party; 10 percent said APRA; 4 percent said Workers Movement; 3.2 percent said Union for Peru; 2.5 percent said Fenatraca [Student-Peasant-Workers Popular Front]; 2 percent said Popular Christian Party, PPC; 1.9 percent said United Left; 27.4 percent were undecided. The report adds that 31 percent of those polled believe traditional political parties are

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capable of governing, while 47 percent believe the opposite, and 22 percent refused to answer.

The article reports that 37 percent of those polled believe Fujimori's image has deteriorated compared with a year ago, 50 percent believe it is the same, and 12 percent believe it has improved.

When asked if Fujimori is successfully exercising his tasks, 57 percent said yes; 40 percent said no; and 3 percent did not answer. Asked if they believe Fujimori is prepared to lead the country for a second term, 70 percent answered yes; 25 percent answered no; and 5 percent did not answer.

The article also adds: "Curiously enough, this poll shows the current effective antiterrorist fight is not President Fujimori's main achievement, his 'natural leadership' is seen as his biggest attribute." It adds that, nevertheless, the current administration continues to obtain highest rates because of the pacification of the country. Asked if Peru is heading for complete pacification, 75 percent said yes; 10 percent said no; and 15 percent did not reply.

The poll also revealed the strong support for Fujimori among businessmen. When businessmen were asked if they approve or disapprove of Fujimori, 83 percent said they approve; 5 percent said they disapprove; and 12 percent did not answer.

The report adds that this poll shows the people have ceased to believe in President Fujimori's promise that terrorism will be finished before July 1995. When asked, 21 percent said yes; 74 percent said no; and 5 percent did not answer.

The report states that when asked about President Fujimori's defects; those polled listed as follows: authoritarian; bad family ties; macho attitude; does not create jobs; corruption; and speaks badly. As for the serious problems this administration has been unable to solve, 70 percent said poverty; 68 percent said unemployment; 50 percent said health; 44 percent said education; 17 percent said corruption; and 14 percent said terrorism.

The article adds that some answers indirectly criticize President Fujimori, such as 78 percent believe the government is responsible for the closure of the Latin American Center of Business Counselling, which went bankrupt.

The report concludes by noting the SIN commentaries on Perez de Cuellar, noting his mistakes and stating that he is a dangerous adversary and makes some recommendations for Fujimori. The poll says Perez de Cuellar does not know how to manage his campaign. It adds that those who might help him belong to the political opposition and that Perez de Cuellar does not want to associate with them. It adds: "But they are the only ones with the know how to conduct a political campaign."

The report also says: "Perez de Cuellar's most obvious mistakes are his political indecision; lack of representative spokesmen, lack of party organization, and his ability to lose or gain support."

The SNI report suggests that Fujimori should, among other things, "yield a bit on the sale of PetroPeru, the State Petroleum Agency, because there is a belief that public companies are being given away and this is bad for the pre-election presidential image."

Communist Party Supports Perez de Cuellar's Candidacy

PY1310214394 Lima LA REPUBLICA in Spanish 5 Oct 94 p 8

[FBIS Translated Excerpt] The Peruvian Communist Party (PCP), member of the United Left Alliance, has decided to support the candidacy of Javier Perez de Cuellar, although the other members of the alliance do not support him. It will maintain unity only concerning the preparation of the list of candidates for congress seats.

Jorge del Prado, member of the PCP Central Political Committee, said the organization will respect that decision relating to the current electoral process, on the basis of its own autonomy.

The decision was made on Saturday, 1 October, during a meeting of PCP leaders and delegates held in Lima, in preparation for the assembly of members of the United Left Alliance, which was held the following day.

"We decided to support Perez de Cuellar because he has set the groundwork for a democratic program which provides guarantees to establish a stable political and economic situation in the country," del Prado said.

He added that another reason was the need to reach an agreement that will help them fight for the defeat of the government of Alberto Fujimori and create the conditions for the participation of union organizations and advanced institutions, as part of democracy. [passage omitted]

'Peru to Year 2000' Vice Presidential Candidate Resigns

PY1310155494 Lima Global de Television Network in Spanish 0130 GMT 13 Oct 94

[FBIS Translated Text] According to the ANDINA news agency, Mrs. Maria Flores Lozano de Marquez, first vice presidential candidate for the Peru to the Year 2000 Movement [Movimiento Peru al 2000) today resigned her candidacy for ethical reasons.

She disclosed her decision through a letter addressed to Luis Caceres Velazquez, presidential candidate of the Peru to the Year 2000 Movement. In the letter she states: As is well known, special circumstances that have arisen over the last few hours have forced me to adopt a certain

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position regarding the political movement you lead. She adds: For reasons of personal ethics, I am compelled to place at your disposal my candidacy for the first vice presidency on your party ticket.

[Lima America Television in Spanish at 1140 GMT on 13 October, during its regularly scheduled "Primera Edicion" morning newscast, reports in its "Newspaper Review" feature that according to the newspaper GESTION, Mrs. Maria Flores Lozano de Marquez has resigned her candidacy as vice president in order that her son, Ricardo Marquez, who is running for vice president on the Fujimori ticket, may remain in the vice presidential race].

New Education Minister Named; Agriculture Minister To Stay

PY1310145294 Lima Global de Television Network in Spanish 0130 GMT 13 Oct 94

[FBIS Translated Excerpt] Peruvian President Alberto Fujimori tonight swore in the new education minister. Pedro Villena Hidalgo, the new minister, is a former rector of the Huamanga University in Ayacucho. He succeeds outgoing education minister Jorge Trelles Montero. [passage omitted]

[Madrid EFE in Spanish at 0211 GMT on 12 October 1994 reports that "on Tuesday, President Fujimori decided not to accept Agriculture Minister Absalon Vasquez's resignation. In view of this Vazquez, one of the four resigning ministers, will remain in his post."]

Shining Path Leader Proposes 'Agreement'

PY1310230794 Lima CARETAS in Spanish 6 Oct 94 p 30-33, 87

[Quotation marks as published]

[FBIS Translated Text] The latest attacks by the Shining Path [SL] on the D'Onofrio factory and the home of psychiatrist Segisfredo Luza, and the murders of neighborhood leaders in the 'Laura Caller' and 'Cruz de Motupe' neighborhoods are believed to be 'Feliciano's' [Oscar Ramirez Durand] reply to the government pincer maneuver against him—a maneuver that seeks to totally defeat subversion before the next elections. It consists, on one hand, of the expiration of the Repentance Law and the threat of harsher repression—the application of 'war laws' under Alberto Fujimori terms—while, on the other hand, Abimael Guzman is working to wear down 'Feliciano's' supporters until they surrender, for which Guzman expects to obtain his release.

The arrest last month of Judith Galvan Montero, aka 'Chata Judith,' poses new questions about the situation of the SL. Although some media maintain that she was 'Feliciano's' "bodyguard," that is, a member of the most radical SL faction, the police found several of her letters in which she favors the 'Peace Agreement' preached by Abimael Guzman. When presented to the media, she shouted in favor of the agreement.

The problem facing Dincote [National Counter Terrorism Directorate] is that practically all the arrested SL members say they support Abimael Guzman and the 'Peace Agreement.' This is true of Judith Galvan, Dalila Lanata Ramirez, and Juan Chavez Diaz.

The three recently arrested terrorists are old SL members, from the beginning of the 1980's. 'Chata Judith' was arrested after attempting to kill APRA [American Popular Revolutionary Alliance] leader Alberto Kitazono. At that time she was on parole.

It is not certain whether these SL members were on active duty, committing attacks—as claimed by the police—or if they had become estranged from the militant faction and had joined the group of Abimael Guzman.

According to reliable sources, when Judith Galvan left prison, she was sent as a 'combatant' to Ancash. This was a type of punishment. There she allegedly became ill and was sent to Lima to recover. She never returned to Ancash. In Lima she contacted Abimael Guzman's followers who support the so-called 'Peace Agreement' and founded a Metropolitan Committee, parallel to that of 'Feliciano.' Judith became the political leader of this committee which lacked grass root organizations and which was linked to Osman Morote and Edmundo Cox. According to this report, 'Chata' Judith is allegedly a member of Guzman's faction.

According to a SIN [National Intelligence Service] report, Guzman's plan foresees the capitulation of 'Feliciano' and the release of a video announcing the surrender of the SL.

A report dated 1 September 1994, prepared by the Dincote officers who now work in the SIN, analyzes the current SL situation, the position of the two factions—those of 'Gonzalo' [Guzman] and 'Feliciano'—and suggests ways to continue the antisubversive war.

The group headed by Guzman calls the faction conducted by Oscar Ramirez Durand, aka 'Feliciano' the 'Left-Wing Liquidationist Faction' [Linea Liquidacionista de Izquierda]. Disagreements between 'Feliciano' and Guzman go back to 1983 when the Third National Conference took place and when 'Feliciano' said party leaders should be in the field, near the main force, combating at the vanguard, and not in the cities where they would become part of the 'bourgeoisie.'

During the Fourth National Conference, which took place between August and October 1986, they again argued. The conference records show that on 29 September Guzman criticized 'Feliciano' for questioning his leadership and the military faction and for maintaining the 'conduction of the facts.' Guzman asked if he cared for the party or the problem of the masses.

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'Feliciano' was later proved right because he is the only one who was not arrested by the Dincote, precisely because he left the city.

The report adds that, in keeping with his belief, 'Feliciano' maintained command of the Principal Committee—Ayacucho, Huancavelica, and Apurimac—and his post in the Political Bureau.

Guzman knows very well his current opponents within the SL and is allegedly helping the government fight them.

'Feliciano's' faction, which now makes people call him HM—presumably meaning Elder Brother [Hermano Mayor]—is lead by Feliciano, by 'Aurora,' and by 'Luis,' who has been identified as Pedro Quinteros.

HM maintains the leadership through his "New Network" [Nueva Red], which consists of radio contacts and a secretary who allegedly travels frequently to Lima. Radio contact seems to be the main mechanism used because all the committees were ordered to obtain radios to keep in contact with 'Feliciano.'

He once told his secretary to bring from Lima a basic computer course, medical manuals, movies, videos, magazines, and newspapers.

'Feliciano' faces many problems: The blow following the arrest of Guzman and many members, the effect of the Repentance Law on his ranks, the lack of strategic planning—which was always done by Guzman and his leadership who are currently imprisoned—the demoralization of his members, and the underhand work by Guzman's followers who support the Peace Agreement.

One of 'Feliciano's' big dilemmas was that of the SL ideology. He decided to continue to cultivate the 'Thoughts of Gonzalo' even though Gonzalo had already changed his position, abandoning the people's war and proposing the Peace Agreement. 'Feliciano' started to use the same revolutionary slogans that Guzman used prior to his arrest in an attempt to counter the idea of surrender proposed by Guzman since his imprisonment.

This, however, is not easy, as demonstrated by the statement by a repentant member who was with the SL for 10 years.

This repentant member tells how they were taught under extremely dogmatic conditions, making them repeat—word perfect—all of Gonzalo's directives—which could not be questioned, clarified, or elaborated on. Their conclusion is that they are seeing "the defeat of Gonzalo's party and of his thoughts. He said Gonzalo is solely responsible for his defeat since he designed the party so that it would only work with him because nobody else was allowed to think except him. Unlike those who simply obeyed, he made the biggest strategic mistakes."

The interpretation by the repentant SL member of Guzman's capitulation is demolishing: "They are attempting to nicely word a defeat after the efforts we made. There are always winners. Why not accept that we were mistaken? Why not uphold 'National Reconciliation' now, when in the past we were taught to hate? The change of conditions can now be explained with nice words, but who will tell the orphans, the mothers who lost their children, that their parents and children could have lived and that the armed struggle and sacrifice was unnecessary? Why implement a national reconciliation now and not two, three, or four years ago? While Gonzalo was free, the war had to be fought, we had to be heroes, we had to totally engage in the war, never fearing the cost, but now he is captive they want national reconciliation and a peace agreement."

Finally, the repentant SL member, who has lost all respect for his former leader, said: "Gonzalo lacks the grandeur of a general who accepts defeat. He is a meek opportunist who is justifying his change of thought. (...) More than peace, the people want the SL to disappear because it is the negative aspect of Peru."

It seems some militants understand the meaning of the Change of Guzman and no longer want to defend the Thoughts of Gonzalo.

The SIN report also analyzes Guzman's proposal and the steps he proposes. The 11-point proposal, summarized, states:

1. Sign the Peace Agreement.
2. End the war and dissolve the Guerrilla Army, the People's Committees, and the Support Bases.
3. Suspend actions by the national Police and the Armed Forces.
4. Release all imprisoned SL members and improve the living conditions of those who continue imprisoned.
5. Suspend repression and persecution in Peru and abroad against SL members, and all pending trials.
6. Suspend the anti-SL campaign and begin a campaign in favor of peace and development.
7. Reincorporate SL members into society.
8. Respect the bodies of slain SL members.
9. Return the central SL archives, its library and museum.
10. Attend the people's needs.
11. A general amnesty law.

As can be appreciated, Guzman's proposal is not applicable given the type of defeat in which he finds himself. These are more like the conditions of a guerrilla movement that thinks it is on equal conditions with the government, which is not at all true.

More interesting still are his proposals for the application of such agreement, which includes the surrender of 'Feliciano:'

—Within 60 days of the implementation of the agreement, the SL would reply, accepting through 'Feliciano' who will record a message. The message could be sent with a messenger trusted by Gonzalo, under the protection of the International Red Cross.

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—An agreement would then be signed by SL and Peruvian Government representatives.

—A group of SL members would be immediately be released.

—15 days later, total cessation of actions would begin, except for defense actions.

—Five months later the people's committees would be dissolved. A month later, the government should release one third of all SL prisoners. Another third would then be released, and finally the remainder.

To dissipate all doubts, the proposal stresses: "No prisoner of war will remain in prison."

The SIN report concludes that the SL is not a strategic threat to the Peruvian state, but one must avoid being over optimistic.

Guzman's specific proposal is that operational intelligence be developed, first in rural areas and then in the cities, because the new leadership headed by 'Feliciano' will follow the 'conduction of the facts' and remain in the field.

Guzman then suggests how to solve several problems at the base of his insurgent organization: the government must fill the power vacuum in abandoned zones; human rights must be respected and the dirty war must be ended; and a specialized unit to combat corruption must be created.

Uruguay

Further on Lacalle's UN Address

PY1310204394 Montevideo EL PAIS in Spanish 28 Sep 94 p 7

[Article by Carlos Pauletti from New York; quotation-marks as published]

[FBIS Translated Excerpt] President [Luis Alberto] Lacalle stated on 27 September that he favors the establishment of a pluralist and representative democracy in Cuba that fully respects human rights. He said this should be accomplished with full respect for the principles of nonintervention and self-determination of peoples. He announced Uruguay's endorsement of the resolution that seeks to lift the embargo on trade with the island.

In the course of his address before the UNGA [UN General Assembly], President Lacalle said: "The observance of these principles and of international law entails an unambiguous study of the economic, commercial, and financial blockade against Cuba."

He noted that "our country—true to its political coherence—will support a resolution to eliminate the unilateral implementation of economic and commercial measures against another state for political reasons. This does not mean the regime prevalent in the country in question is in any way accepted or recognized."

Addressing representatives from more than 175 countries, the Uruguayan head of state referred to the issue of Haiti, saying that "our country has always opposed any military intervention that lacks legal support." In a veiled criticism of the recent U.S. military operation, Lacalle said: "Under the UN Charter, the use of force is limited to cases of threats to international peace and security."

He added: "Without prejudice to how things went, we still believe political dialogue is the best way to preserve the principles of international law and to solve situations of this nature."

To make his position crystal clear, the president stressed: "International relations, especially hemispherical relations, must be pursued within a framework of realism and legal security: Realism to help us adjust to ongoing changes in each country's domestic and foreign aspects, and legal security to help find in the law measures of fairness and justice so that the principle of equality between states may be viable and credible."

Lacalle's speech before the United Nations was one of the most important items on his agenda in New York and Washington, together with his meeting with UN Secretary General Butrus Butrus-Ghali and the meeting between U.S. President William Jefferson Clinton and all the heads of state who participated in the UNGA.

Later in his speech Lacalle said reality has shown the need for a mechanism—which we believe should be permanent and automatically applied—to redress the damage to those third countries that have been economically affected by sanctions imposed pursuant to Chapter VII of the UN Charter." [no opening quotes as published] He added: "Second, we want closer attention to the issue of the responsibility for attacks on personnel from the United Nations and related bodies in view of the alarming increase in these attacks, a situation which our country knows very well."

Lacalle underscored the participation of Uruguayan contingents in UN peacekeeping forces in different parts of the world. He noted that this participation "follows the basic principles that guide our foreign policy, like nonintervention in the internal affairs of other countries, the peaceful solutions to controversies, the self-determination of peoples, and to refrain from using force to obtain peace." [passage omitted]

In what an observer termed "an indirect shot" at some recent UN resolutions and the subsequent U.S. pressure, Lacalle added: "We believe UN peacekeeping operations should be undertaken in strict compliance with the principles of international law enshrined in the UN Charter. Based on experience, we believe actions that fall under Chapter VII of the UN Charter or operations that involve a broad mandate should be undertaken only as a

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last resort following the failure of the political means contemplated in Chapter VI of the Charter."

"We also believe this type of action can be taken only in the face of unequivocal situations that pose a real threat to international peace and security, and only after coordination with regional organizations and neighboring countries of the area in conflict."

Likewise, "peacekeeping operations must have viable and precise mandates as well as realistic schedules. When the Security Council decides to send a mission, it should not consider any political or strategic importance of the regions, or pinpoint differences that should not exist when considering this type of decision.

"Having mentioned the places where Uruguayan contingents comprising more than 950 servicemen are deployed on UN peacekeeping missions, Lacalle said: "Considering the relative numbers of our Armed Forces, this figure shows a deep commitment which is unlikely to be surpassed by other members of the international community."

Despite this, "Uruguay does not receive from the international community a return commensurate to this effort since it is not compensated for the depreciation of equipment and materiel or for the pay of the servicemen, who many times give their lives as their contribution to the international cause." [passage omitted]

The Uruguayan president then delivered an impassioned defense of children's rights. He recalled the Childhood Summit held at the United Nations headquarters in 1990, at which "we approved a document with a very significant moral content: We pledged to protect the future of mankind—children. The document included measures to protect children caught up in conflicts and ways to safeguard them."

"The conflict raging in the Balkans has produced episodes that have shaken mankind's conscience. The consequences of this conflict have been particularly appalling for the children of this European region, who are the innocent victims of an immoral conflict. We brought this case before the appropriate organizations because we believe the conditions established by the Charter of Childhood were clearly met, thus requiring a call for a cease-fire to allow the evacuation of the children."

Nevertheless, "this remained a dead letter because the United Nations was unable to efficiently implement that facet because of the barbarism which keeps the Balkans under its sway."

Lacalle also referred to the successful completion of the Uruguay Round of GATT trade talks and called upon countries to ratify the agreements reached, saying that they must be improved through further reductions of subsidies and support prices, as well as through the elimination of nontariff barriers to trade."

Lacalle stressed that "free trade continues to be a base for achieving and consolidating development processes. The successful conclusion of the Uruguay Round is, therefore, significant even if it can be seen only as the conclusion of a stage."

Closing his speech, the president said: "Let the 50th anniversary of the establishment of the United Nations, which we will observe shortly, be a propitious opportunity to ponder on what has been achieved and—as Mr. Secretary General has well indicated—to view the lessons of the past as a challenge to our objectives for the future." [passage omitted]

Sanguinetti Leads in Polls; Volonte Support Up

PY1310232994 Montevideo EL OBSERVADOR ECONOMICO in Spanish 28 Sep 94 pp 9, 32

[FBIS Translated Excerpt] According to the latest poll that was taken especially for EL OBSERVADOR ECONOMICO by Equipos Consultores Asociados, the Colorado Party continues to lead in the election polls with 31 percent, although for the first time in five years the National Party is alone in second place with 24 percent, while the Progressive Encounter is in third place with 21 percent.

Regarding the internal situation within parties, Julio Maria Sanguinettii continues to lead within the Colorado Party (72 percent), although Jorge Pacheco Areco and Jorge Batlle achieved a moderate advance in September, with each having 12 percent. Alberto Volonte has increased his lead over Juan Andres Ramirez by 10 percent within the National Party.

Regarding the lists for the Senate, those that support Sanguinetti within the Colorado Party are leading with 25 percent, while Hugo Batalla has 12 percent, [Pablo] Millor 9 percent, and Victor Vaillant 3 percent. Within the Progressive Encounter, the Socialist Party leads with 25 percent, followed by Uruguay Assembly with 18 percent. [passage omitted]

At the national level, the Colorado Party continues to lead with 31 percent, but for the first time in five years the National Party is alone in second place with 24 percent, followed by Progressive Encounter in third place with 21 percent. Other parties have 3 percent, and more than one-fifth (21 percent) of those who were polled have no preference or refuse to provide information on this point. Of this figure, two-thirds (15 percent) are "genuinely" undecided: For the time being, they have no inclination toward any of the parties or candidates. [passage omitted]

With its current 31 percent, the Colorado Party has registered its lowest percentage since March. The Progressive Encounter's 21 percent is its lowest since August 1993. [passage omitted]

The persistent advance of the National Party is more evident among the voters who are firmly decided. While

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in August the Colorado Party led the Progressive Encounter by 6 percent and the National Party by 10 percent among voters who are completely decided, in September the distance between the two traditional parties has been reduced to 6 percent. [passage omitted]

Sanguinetti continues to be the most preferred presidential candidate among Colorado Party supporters, but the moderate increase that has been obtained by the other two candidates of the party, Batlle and Pacheco, is the oddity for the month of September. For both the former president and the head of List 15 the percentages that they have obtained are the highest this year, while the percentage obtained by Sanguinetti is the lowest.

The internal situation in the National Party is similar to that of last month. Volonte is in the lead with 41 percent, followed by Ramirez with 31 percent; far behind are [Carlos Julio] Pereyra and [Gonzalo] Aguirre with 11 and 5 percent respectively. Twelve percent of those who support the National Party (a similar difference that separates Volonte from Ramirez) have not yet decided which presidential candidate to vote for. [passage omitted]

The internal situation of the Progressive Encounter has different characteristics because of the options and the fact that they are nearly identical in the majority of the departments. The Socialist Party continues to lead with 25 percent of the total, followed by Uruguay Assembly, the group headed by Danilo Astori, which has shown a tendency to advance during the past three months, with 18 percent. [passage omitted]

Sanguinetti Comments on Batlleist Forum Proposal

PY1410000894 Montevideo EL PAIS in Spanish 1 Oct 94 p 10

[Report on interview with presidential hopeful Julio Maria Sanguinetti by anchorman Neber Araujo during the "En Vivo y en Directo" program broadcast by Teledoce Televisora Color on 30 September]

[FBIS Translated Excerpt] [Passage omitted] The following question was raised by economist Juan M. Rodriguez, an economic adviser to the PIT-CNT [Interunion Workers Plenum-National Workers Convention], who reviewed the social pact proposed by the Batlleist Forum. Rodriguez asked Sanguinetti to elaborate on the creation of spaces for the discussion of industrial transformation and long-term wage agreements.

Dr. Sanguinetti described this question as very interesting. He explained that a social pact is necessary because industrial transformation represents a goal for our country and it would be impossible to achieve this goal if entrepreneurs take a challenging attitude and workers merely consider class struggles.

Dr. Sanguinetti pointed out that "we are willing to create these spaces" because, even though the state is able to make decisions, the participation of entrepreneurs and workers is of paramount importance. [passage omitted]

Dr. Sanguinetti expressed his disagreement with wage indexations because Argentina, Brazil, and Uruguay already implemented them and they caused inflation. The wage policy will at least be aimed at preserving the purchasing power.

Dr. Sanguinetti added that his administration's achievements "somewhat authorize us to discuss this issue."

Dr. Sanguinetti noted that challenging attitudes may win small battles, but not the great battle of development which requires state and private efficiency, with a preoccupation for increased production and productivity. [passage omitted]

Dr. Sanguinetti expressed his disagreement with shock [preceding word in English] policies. ("We do not favor shock, but gradual policies," he explained). Dr. Sanguinetti expressed that, during his administration, an example was given on the way in which a country may grow, reduce inflation, increase exports and production, and improve the population's income and purchasing power.

Araujo asked him about a plebiscite for including in the Constitution a 27-percent budget appropriation for education and the changing formulas proposed by New Space presidential candidate Tabare Vazquez to finance it. [passage omitted]

Concerning the funds for education, Dr. Sanguinetti supported appropriating as many funds as possible. Nevertheless, he also supported introducing reforms in primary, secondary, and technical education, as proposed by the Batlleist Forum in its "2000 Platform."

Dr. Sanguinetti described as commendable the plebiscite's goal, although the proceedings are wrong.

In Dr. Sanguinetti's opinion, establishing a percentage would cause an imbalance in public finances and seriously disturb the economy, and public servants and retirees would ultimately pay the high cost. [passage omitted]

Venezuela

Police, Students Clash in Maracaibo Protests

PA1410041794 Mexico City NOTIMEX in Spanish 0225 GMT 14 Oct 94

[FBIS Translated Text] Caracas, 13 Oct (NOTIMEX)—One student was burned and six trucks were destroyed today during clashes between policemen and demonstrators in the third day of protests in the Venezuelan city of Maracaibo, it was reported by local media.

Press reports from Maracaibo, capital of Zulia State, 700 km west of Caracas, said students clashed with police throughout the day to protest an "excessive" increase in public transportation fares.

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The clashes near Zulia University resulted in the arrest of 20 students after policemen entered the university campus in Operation Trojan Horse.

The situation deteriorated on Tuesday when bus owners decided to stage a work stoppage in retaliation for demonstrations by the students, who involved pedestrians and looted stores.

The three days of protests have resulted in at least nine vehicles burned, over 30 persons arrested, and heavy property damage. The protests have extended to other cities in Zulia.

According to reports in LA COLUMNA DE MARACAIBO, public transportation was suspended today, so authorities mobilized official vehicles under guard, and bus owners decided to continue their stoppage until tomorrow.

The situation in Maracaibo was controlled after 1700 on Thursday, it was reported by police sources consulted by radio stations in Caracas.

In Valencia, capital of Carabobo State and the third largest capital in the country, six private vehicles were destroyed in a residential neighborhood. The Interior Ministry in Caracas attributed these actions to vandals.

Defense Minister Rafael Montero Revette, in open contradiction of Interior Minister Ramon Escovar, said the Armed Forces have begun an investigation of the events in Maracaibo and Valencia.

The high-ranking official said the street protests might have been provoked by people who wish to disrupt "public order for unspeakable reasons," while the Interior Ministry said it involves simple protests.

Caldera on Armed Forces' Role; Report Notes Security Budget

PA1210142794 Caracas EL UNIVERSAL in Spanish 8 Oct 94 p 1-11

[Report by Antonio Fernanez Nays]

[FBIS Translated Excerpt] President Rafael Caldera said yesterday the Armed Forces have played a very important and fundamental role in overcoming the crisis. President Caldera spoke during Soldiers Day celebrations held at the Illustrious Promenade.

The president, who presided over the acts of protocol, said the FAN [National Armed Forces] "is firm and aware of the huge duty our fellow members have." Caldera spotlighted the life and deeds of liberator Simon Bolivar in a brief speech delivered to the troops.

Likewise, the president reminded that the bicentennial this year of the birth of Ayacucho Marshall Antonio Jose de Apure, "a great Venezuelan soldier, for whom Bolivar wrote a handsome biography to highlight his characteristics, is commemorated,"

Congratulating Venezuelan soldiers, President Rafael Caldera said "attention is always tended to from the highest hierarchies" on soldiers so as to improve, understand, and encourage them.

"We all are a unit willing to face up to any act in the country that may encourage a split or breakup. We all are willing to defend peace, as without peace it would be impossible to overcome the obstacles on our path to development," the president added in his speech.

Pyhrric Expenses for Security

Budget expenses by the Venezuelan state have traditionally been meager and are less than 6 percent of the annual budget, meaning new strategies are needed for a rationalized use of resources. This fact was gleaned from yesterday's statements to the press by Interior Minister Ramon Escovar Salom, in his office, where he summoned the security cabinet early to study next year's budgetary requirements.

The meeting was attended by Interior Minister Ramon Escovar Salom; Defense Minister General Rafael Montero Revette; Justice Minister Ruben Creixems; Secretariat of the Presidency Andres Caldera; Deputy Finance Minister Luis Xavier Grisanti; Federal District Governor Asdrubal Aguiar; and Central Budget Office Director Marcos Morales.

The interior minister said this meeting was one of the most important ones held in recent times because these types of meetings to coordinate budgets among similar offices had not been held previously.

According to Escovar Salom, security requirements "are quite important," so much so that it would be reckless to speak of definite figures. He said it is not possible to undertake a series of programs unless the necessary economic resources are available and there is the personnel's willingness to work.

The budget estimate for the General Directorate of Immigration and Alien Affairs is $50 million. These funds are intended to acquire a mainframe computer to be used as a central data base for all police stations. The idea is to rationalize expenses instead of multiplying them.

Taking into account the country's state of the economy, balanced investments are planned for security, the establishment of the necessary priorities; thus, the 1995 budget will probably not include all the accounts maintained up to now. This is the idea behind rationalization.

This concept requires that each ministry or office involved in security must carry out separate economic studies to define the overall amount of the budget. Escovar Salom said expenses "are very high" but should not be less than 20 percent of the state's overall estimated budget. It must be understood, however, this percentage means a significant outlay. It is hoped to at least double the current 6 percent figure.

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The minister said the assessment process creates a certain degree of complication, because the estimates are based on oil revenues and taxes. He added "Ocepre [Central Budget Office] is the one that should give us the figures and the percentages on which we can count." The figure of 300 billion bolivares for security is being mentioned, including the Defense Ministry expenses.

It was reported that during the security cabinet meeting, a commission was created to study the budget situation. The commission will include the deputy ministers of the offices that were mentioned above.

Moreover, Escovar Salom talked about a conversation he held with Foreign Minister Miguel Angel Burelli Rivas, during which he presented the foreign minister with a list drafted by the Interior Ministry that contains the names of people who face arrest warrants or who are unauthorized to leave the country so that acts of corruption related to the financial crisis "do not remain unpunished." He said, however, the government cannot speak out on specific cases if the courts have not previously handed down their rulings.

In addition, he said that even though the government is aware of the kidnapping cases involving cattlemen in Zulia State during the last few weeks, no action of this type had been reported in the country in the last 10 months.

He also praised the civic manner in which the police have been performing their duties in public demonstrations staged by groups of savings account holders. A list of recommendations had been sent to the security groups on the need to refrain from the use of weapons and to respect human rights. [passage omitted]

Cabinet Approves Expropriation of Bank Assets

PA1410035294 Caracas Union Radio Network in Spanish 2200 GMT 12 Oct 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] The cabinet has approved a decree to expropriate the assets, credits, and rights that banks and bankers offered the Deposit Guarantee and Banking Protection Fund [Fogade] as security.

The government, based on the suspension of guarantees established in Articles 99 and 101 of the Constitution and to recover the financial assistance it has provided, has sanctioned a decree expropriating all the assets of bankers that owe money to Fogade.

This information was provided by Attorney General Jesus Petit Da Costa who affirmed that this measure applies also to money-owing fronts of intervened banks.

However, if the institutions pay their debt within 60 days after the expropriations, they could recover their assets.

[Begin Petit recording] Owners, former owners, interested in recovering their expropriated assets will have up to 60 days to do so. They can do it by paying the entire debt. The government does not want to seize others' goods. This has never been the will of the government. The government just wants to recover what is owed to the nation because of the financial aid it has delivered. [end recording]

Decree No. 383 will be published in the gazette Thursday. Immediately thereafter, the attorney general will begin expropriating the goods. Other expropriations are expected.

Minister Says Revolution 'Tropical Fantasy'

PA1210192094 Caracas EL NACIONAL in Spanish 11 Oct 94 p D-4

[FBIS Translated Excerpt] The possibility that a social revolution may occur in Venezuela is only a "popular fantasy," said Interior Minister Ramon Escovar Salom yesterday after presiding over a meeting of the Metropolitan Area Government Council in his office.

The minister was asked about the likelihood of a social outbreak in the country, and he responded:

"Although there may be very small groups interested in creating a social outbreak, the appropriate conditions are not given for an act of this nature. True, there is social discontentedness, economic dissatisfaction, but we have something as strong as that, meaning, the wish to live in peace. Those who think about the ways to seize power through revolutionary means are lost beforehand. The possibility of a social revolution in Venezuela is a tropical fantasy." [passage omitted]

Roundup of Economic Developments

PA1210214494

[FBIS Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 11 October.

The Central Bank of Venezuela, BCV, has released figures indicating that the Consumer Price Index, CPI, dropped slightly in September, reaching 4 percent, and that the 1994 accumulated inflation rate is 50.6 percent, much higher than the 29.5 percent reached during the January-September period in 1993. According to the BCV, the CPI dropped due to the regulatory measures and price controls adopted by the executive branch. (Caracas EL NACIONAL in Spanish 4 Oct 94 p E-1)

Alfredo Gruber, president of the Venezuelan Corporation of Guayana, CVG, has said that judging from the exploration works and the foreign investments in the sector, "Venezuela will be among the world's 10 largest gold producers" within a few years. He has reported the creation of the Minca and Reminca joint ventures in which the CVG owns 30 and 40 percent of the stock, respectively. Placer Dome, Inc. owns the remaining

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stock. He has recalled that Minca has discovered a large gold field in Las Cristinas. (Caracas EL UNIVERSAL in Spanish 4 Oct 94 p 2-1)

Although the Economic Recovery and Stabilization Program, PERE, focuses on associations and minisized businesses, the Fund for Cooperation and Financial Assistance to Partnership Corporations, Foncofin, was not included in the government plan to increase the role of minisized businesses. Foncofin Executive Director Maria del Valle Fernandez has said Foncofin has increased its resources and allocated 2.666 billion bolivares in financial programs, generating 14,351 jobs. Foncofin is charging an average fluctuating interest rate of 75 percent on its loans but is charging a 35-percent fluctuating interest rate on agricultural loans and a 20-percent rate on loans to Indian communities. (Caracas ECONOMIA HOY in Spanish 4 Oct 94 p 5)

The slowdown in the construction industry has prompted the layoff of more than 25,000 workers and the sale of assets. The Venezuelan Construction Chamber, CVC, has discussed the causes of the slowdown, which is estimated at 26 percent during the first half of 1994, and the need to implement the measures included in the PERE to reactivate the sector. Acting CVC President Carlos Avellaneda has reported that most construction works had been halted due to the lack of resources. He trusts Congress will allocate the necessary funds to pay contractors. (Caracas REPORTE DE LA ECONOMIA in Spanish 5 Oct 94 p 14)

Due to the globalization of the economy in Latin America, the Andean Development Corporation, CAF, headquartered in Caracas, has changed from a traditional development organization into a competitive financial institution. It serves as a bridge between the international financial markets and the Andean region. Since 1993, the CAF has issued $425-million worth of bonds on the European and Japanese markets and in the so-called "dragon market" in southeast Asia, thereby becoming the most successful Latin American bond issuer in these markets. In addition, the CAF recently issued $150-million worth of bonds on the U.S. market to finance trade operations. (Caracas REPORTE DE LA ECONOMIA in Spanish 5 Oct 94 p 18)

President Rafael Caldera has finally approved the creation of the Foreign Trade Bank, BCE, after Werner Corrales, Central Office of Coordination and Planning minister, included it in his plan. The Venezuelan Investment Fund will provide 60 percent of the BCE capital, which is estimated at $100 million. Congress has yet to approve the creation of the BCE. (Caracas REPORTE DE LA ECONOMIA in Spanish 5 Oct 94 p 17)

Jorge Fernandez, president of Ceres Corporation, which represents the U.S. Continental Grain Co. in Venezuela, has said "we never stopped importing grains into Venezuela," adding 20,000 tons of soy flour and 6,000 tons of wheat were distributed among Venezuelan companies. He has also reported that a $30-million monthly exchange quota has been assigned to the Ceres Corporation. (Caracas EL NACIONAL in Spanish 5 Oct 94 p D-8)

According to a 5 October, Caracas-datelined item, official sources have reported the Venezuelan Government collected almost $2 billion in the two months since the sales tax went into effect, exceeding initial estimates by $952 million. (Paris AFP in Spanish 2232 GMT 5 Oct 94)

A new student fare system will come into effect beginning 1 January 1995. Students must now purchase tickets. Bus drivers and passengers alike believe the new system will be effective. It is estimated that 10 billion bolivares will be allocated in tickets. (Caracas Venezolana de Television Network in Spanish 1600 GMT 6 Oct 94)

According to a 6 October, Caracas-datelined item, Federico Ramirez Leon, Venezuelan Workers Confederation leader, reported today that the unemployment rate reached 20 percent in September, the highest rate in the democratic history of Venezuela. Ramirez has said the financial crisis, the slowdown in the construction sector, and the economic recession are the reasons why 1.5 million people are unemployed. Meanwhile, the Central Statistics and Information Office has reported that only 7.583 of 20.814 million Venezuelans have jobs and that 16.32 percent of poor families live in abject poverty. (Mexico City NOTIMEX in Spanish 2240 GMT 6 Oct 94)

The Finance Ministry's Customs Directorate has reported the luxury and wholesale taxes generated 19.018 billion bolivares at Customs offices alone in August and September. The Puerto Cabello and La Guaira Customs offices collected 4.832 and 3.431 billion bolivares, respectively. Figures indicate that 10.242 billion bolivares were collected in August and 8.776 billion bolivares in September, a 14.31-percent drop compared to the previous month. (Caracas EL UNIVERSAL in Spanish 8 Oct 94 p 2-4)

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